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Split Between ArSSR Factions Observed

46050035b Paris HARATCH in Armenian 13 Jul 89 p 2

[Excerpts] The 23-25 June sitting of the Armenian Supreme Soviet will remain known principally for two of its decisions. The first of these, the recognition of the Armenian Pannational Movement [APM] by Soviet Armenia's highest authorities, represents a milestone in contemporary Armenian history which is rich with significant events. The second decision was with regard to the closure of the Nayirit chemicals factory.

While these two decisions were instantly echoed in the Diaspora, nothing has been said or written about another notable episode. During the same sitting there was a clash of two political views. More correctly, there was a clash between an appeal for seemingly anachronistic prudence pulled out a store of traditional concepts and the reaction it created.

The first view was expounded by People's Deputy Zori Balayan. While a summary of his speech was published in KHOHRHTAYIN HAYASTAN on 27 June, not a word was said about the clash in the Supreme Soviet. Zori Balayan calls attention to Armenia's critical geographical position in a region inhabited with hostile peoples of different races and religions and says that only Russian protection can save the Armenian people from the threat they pose. As justification for his argument, Balayan cites pan-Turanist and pan-Islamic tendencies. [passage omitted]

The Soviet Armenian Committee of the Karabakh Movement [Karabakh Committee] reacted instantly to this speech. First, Vazgen Manukyan spoke against this posture at a rally held in front of the Matenadaran on 23 June. He criticized and scored severely the quest for a protector to ensure the security of Armenians and declared that the Armenian nation must renounce this servile posture given its bitter experiences of the past and must rely only itself. [passage omitted]

The reaction of the Karabakh Committee was not confined to this speech in front of the Matenadaran and was echoed on the podium of the Armenian Supreme Soviet, the highest authority in Soviet Armenia.

At the Supreme Soviet's 24 June sitting, Levon Ter Petrosyan read the following official proclamation on behalf of the Karabakh Committee:

"Deeply concerned about the antidemocratic nature of this session and the destructive, wrong and shortsighted political programs proposed here and moved by the spirit of the responsibility it has assumed to realize the wishes of the Armenian nation, the Soviet Armenian Committee of the Karabakh Movement considers it its duty to make the following statement from the podium of Armenia's supreme authority:

"Ignoring bitter lessons of history and the numerous disillusionments the Armenian nation has suffered, some of our intellectuals continue to preach fervently the

politically bankrupt and dangerous idea that Armenia, being surrounded by hostile nations of other religions, can perpetuate its existence only through the protection of a powerful state. Such a mentality compels our nation into moral enslavement and deprives it of the prospects of political partnership which is the only guarantee of success in politics. The concept of Armenia as an entity which blocks the realization of the goals of pan-Turkism and which, as a result, works for Russian interests draws the Armenian question once again into the complex orbit of international relations and is thus fraught with perilous consequences for our nation's destiny. Although pan-Turkism was alive as an ideology at the time of its birth during World War I, today it has lost its potency as a political movement, because the Turkic-speaking nations have chosen the path of national development. However, the calls made for a crusade against it have the potential to reactivate it as a political entity and to turn Armenia into a target of pan-Turkism and pan-Islamism. Having led a pannational movement for more than a year, the Soviet Armenian Committee of the Karabakh Movement has rejected from the outset the harmful idea of relying on foreign protectors and viewing pan-Turkism as a permanent threat and has adamantly advocated the political principle that the Armenian people must rely solely on its own powers to realize its national yearnings. This political posture has already yielded patently positive results and has taken the Artsakh problem from the stage of rejection and violence to the stage of resolution. Thanks to its just constitutional struggle, the Armenian people has gained numerous allies on the forums of international public opinion, Moscow, Leningrad, the Baltic republics and other democratic forces. This represents, firstly, the appreciation of the tangible contribution of the pannational movement of the Armenian people to the process of democratization in the Soviet Union and, secondly, the only assurance for the just resolution of the Artsakh problem, which we must protect like the apple of our eye."

"Knowing this fact, the forces which want to drive the Artsakh problem into an impasse have plotted a ominous conspiracy against the Armenian people, and certain Armenian intellectuals are willingly or otherwise participating in it. The raising of the threat of pan-Turkism and the issue of Armenian territories occupied by Turkey at this time has one and only one goal: To portray the Armenian people as revanchists, to discredit their just demands on Artsakh and thus to deprive them of the sympathy of the aforementioned allies. In view of that situation, the Soviet Armenian Committee of the Karabakh Movement strongly condemns this attempt to turn the Armenian question into a cheap playing card in international relations and expresses the conviction that the only way to realize our national yearnings is to ensure the irreversibility of the democratization process in the country and the unity of the Armenian nation around the ideological principles of the Armenian Pannational Movement [APM]. We are certain that had the APM been officially recognized and the atmosphere of mutual understanding between the leadership of the Republic

and the representatives of the people been established earlier and in more timely manner, the political adventurism to which this statement is addressed would not have taken place today."

Karabakh Committee Activist Interviewed

46050035a Paris HARATCH in Armenian
8-9, 11 Jul 89

[Interview in two installments with Karabakh Committee member Levon Ter Petrosyan by A. M. in Paris on 5 July]

[8-9 Jul 89 pp 1, 4]

[Excerpts] Our last meeting was virtually of "historical" importance because of the events of the time. It was after an impressive public rally at the Opera Square on 16 November that I met him in his Yerevan home for an interview, 48 hours before my departure. The situation was critical. Military units had been dispatched to Artsakh, the Azeris were blocking the Lachin Pass, and the trial of the instigators of the Sumgait massacres had opened in Moscow a few days earlier. [passage omitted]

We met Levon Ter Petrosyan again 2 days ago, on 5 July, for an interview, this time in the editorial offices of HARATCH.

Rather than conveying our conversation in a dry interview format, we prefer to echo the main ideas Ter Petrosyan expressed during the interview. For the record, we first asked Ter Petrosyan to tell us in detail the circumstances of his arrest, because much has been said about that episode but not by the principal characters themselves. [passage omitted]

[11 Jul 89 p 1]

[Excerpts] Our conversation continued and we broached other issues. There were events about which even we in the Diaspora were better informed than the members of the Karabakh Committee who were kept in solitary confinement in prisons cells in Yerevan and Moscow. This was particularly true of the spirit the people of Armenia kept up after the earthquake. Ter Petrosyan confirmed that this was their principal concern during the time they were in jail, but said that they were astounded to find the same people before the Matendaran the night they were released from prison, on 31 May. They found a people which had forgotten all of its grief and had reembraced its political cause. The people had fully overcome the earthquake disaster and its spirits were higher than in the fall. [passage omitted]

Karabakh, of course, remains the principal problem. On that, the latest news Ter Petrosyan gave are encouraging. That does not mean that Artsakh will become part of Armenia tomorrow, because, after all, every problem must pass through certain stages. But as we said a year ago, the important thing for the moment was the separation of Artsakh from Azerbaijan.

Ter Petrosyan talked to Dadamyan (deputy from Artsakh) 10 days before his arrival in Paris and with Henrik Pokhosyan 3 days before. The situation is as follows: A 10-member parliamentary commission has been formed composed of neutral persons—that is neither Armenians nor Azeris. The president of the commission had not yet been decided at the time he had his talks with Dadamyan and Pokhosyan. Two people are being considered for that position: Bisher, a Latvian legal expert who is also the deputy president of the palace of nationalities, and Ukrainian writer Oleynik. This commission was formed at the request of the people of Karabakh. The commission will work for 20 days and will submit proposals to the Supreme Soviet in Moscow. A preliminary agreement may be said to exist on the following issues:

- Reinstatement of the oblast soviet in Karabakh;
- Reinstatement of the oblast party committee;
- Expansion of the powers of the special administrative committee so that this body can operate in Karabakh without Azerbaijan's consent.

There is one very important demand, but it is not clear how far it will be satisfied. It is demanded that A. Volski's special administrative committee not be able to take any action without the consent of the oblast soviet. There is strong feeling for this demand. It has even been proposed that Volski stay in Moscow.

If this much is done—and Ter Petrosyan thinks that they can be done within a month—Artsakh will be able to restore its dissolved bodies which will have their determining say in Artsakhian affairs while Azerbaijan will have no say.

We asked Ter Petrosyan how he explains the sudden change in [Armenian Communist Party First Secretary] Suren Arutyunyan's posture. He said that he thinks the reasons are very simple. Arutyunyan had completely lost his authority in Armenia. His grip on control was much less than in the fall. The group that replaced the imprisoned Karabakh Committee members even asked for the resignation of the government. Arutyunyan had also lost his authority vis-a-vis Moscow. In addition, his position within the party was precarious. That is, the former cadres of Armenia harbored hostility toward him. Thus he decided that he must make a choice and realized that he can rely only on the people. He figured that if the people supports him neither Moscow nor the party apparatus can do anything to him. He chose that course. It is not clear whether he thought about this himself or whether he was advised to do so by others. Ter Petrosyan notes, however, that the choice was so simple that he could have thought about it himself. He made a smart move, but as a person who has been party-trained since the day he was born he cannot be trusted forever. His posture may be provisional; he may change his position when he feels stronger. The people must always keep him under pressure.

Commenting on the consequences of the earthquake and the present situation, Ter Petrosyan confirmed that there is discontent among the people but said that we must not be negative. The members of the Karabakh Committee

visited all the disaster areas. Extensive work is under way. While there are deficiencies, the positive elements must be acknowledged. For example, the Ukrainian and Uzbek workers work very well and are well experienced. The Italian-built village has become an excellent settlement. But there are problems of unemployment. The people who come from outside use methods with which the Armenian builder is not familiar. Now there is a parliamentary commission which includes members of the Karabakh Committee. Ter Petrosyan says that perhaps this commission will not be able to do much but that it is monitoring and supervising the work that is being done.

Lastly, Ter Petrosyan talked about the Armenian Pan-national Movement [APM] which incorporates more than 20 organizations. He said that it is superfluous to enumerate all the member organizations and that one would gain a better idea by asking who is not part of the Movement. The organizations that are not part of the APM are: the Association for the Defense of the Armenian Cause (led by H. Vasilyan) and the Self-Determination Organization (led by Baruyr Ayrikyan). The reasons these organizations have not joined the APM are clear: To become part of the Movement, an organization must endorse the Movement's program and by-laws and its political posture (which were published in full in the 4 and July issues of HARATCH). What role can the Diaspora play in this Movement? It appears that despite the new opportunities that have been created, at the present time the Diaspora can play a role principally in connection with the disaster.

Ter Petrosyan says that the recognition of the APM by the Supreme Soviet was the only rational solution given that the authorities had expressed their readiness for a dialog. There was no way to make the people believe them other than recognizing the Movement. There has already been a meeting with Asatryan, the new secretary of the Yerevan city committee, and soon a building will be provided to the APM in the center of Yerevan. The APM must not be viewed as a "counter-government", but an organization which can cooperate with the government, an organization of dialog which incorporates almost all organizations in Armenia making it a true spokesman of the people. [passage omitted]

Private Law School Formed in ArSSR

46050034 Beirut AZTAG in Armenian 5 Jul 89 p 2

[Text] The economic and political changes which have occurred in Soviet Armenia in recent years make it possible to establish and to organize economic, industrial, scientific and social entities in that country. All these will naturally contribute to the improvement of Armenia's political and socioeconomic status, the enhancement of its reputation and the development of its role in an international framework.

In this sense, a significant and remarkable enterprise is the MYUD [expansion unknown] law institute which was established by Soviet Armenian jurist Yuri Mkrdchyan and which is accredited by the government at the all-Union

level. This is a private cooperative venture and, in accordance with its bylaws, operates as an independent economic enterprise.

The director of the institute is Yuri Davit Mkrdchyan, a forceful and enthusiastic lawyer who has an all-Union reputation. Mkrdchyan is a likeable Armenian whose self-confidence and strong desire to help the Motherland enable him to make practical contributions to Armenia in the current conditions.

MYUD's lecturers are invited from the best universities in the Soviet Union. Mkrdchyan also wants to recruit high-caliber lecturers from abroad to teach international law, economics and accounting. The institute admits students from both the Soviet Union and overseas. The tuition is R3,000 a year for the preparatory school and R5,000 a year for the law school. The curriculum consists of two parts: preparatory school (5 years) and law and economics training (5 years).

The following subjects are taught in MYUD:

1. Soviet construction, state law and administration.
2. Economic law.
3. Cooperative law and legal issues in business.
4. Agricultural and ecological law.
5. Civic, labor and social law.
6. International law, special international law, diplomacy.
7. Courts, prosecuting and legal defense.
8. Inquest and criminology.
9. Armenian, Soviet and foreign business.
10. Joint Soviet and foreign enterprises in various economic areas.

The courses are taught in Armenian and Russian which are also taught as languages.

MYUD is particularly interested in foreign corporations which plan to invest in the Soviet Union. Mkrdchyan justifiably believes that such Western trade and industry corporations need consultants who specialize in Soviet law. The best way to train such consultants is the establishment of scholarships by such corporations and the enrollment of bright students in MYUD.

Mkrdchyan is prepared to collaborate with any foreign corporation or individual, preferably Armenian, who can supply lecturers or students.

MYUD's address is:

MYUD Law Cooperative; Yerevan, 375093; Farmanov Street, No. 52; Soviet Armenia

It is strongly recommended that this information about MYUD be disseminated over Armenian press publications and radio stations.

Any collaboration or assistance which can contribute to the success of this institution can greatly help the stabilization of Motherland's economic, scientific and political

balance and the further consolidation of ties between the Motherland and the Diaspora.

REGIONAL AFFAIRS

ACC Secretary General Interviewed

44040508 London AL-HAWADITH
in Arabic 14 Jul 89 pp 29-30

[Interview With ACC Secretary General Dr Hilmi Nimr by Usamah 'Ajjaj, Date and Place Not Given; "First Interview With ACC Secretary General Hilmi Nimr: We Are Not Bloc of Poor; Our Capabilities and Resources Are Rich; Economic Strength is Political Strength Simultaneously"]

[Text] Cairo—The interview with ACC [Arab Cooperation Council] Secretary General Dr Hilmi Nimr was an occasion to learn about many of the issues raised concerning the council work, about its movement in the coming phase, about the method of coordination between the four states which are experiencing fundamental economic problems, about the future horizons and about dealings with the Arab League and with the other Arab blocs. The interview went as follows:

[AL-HAWADITH] Is the desire to underline the ACC's economic character the motive behind your selection to this post?

[Nimr] To begin with, I am not an economist. To be exact, this is not my specialization. I am concerned with fiscal and administrative affairs. I believe that my economic education is tied to the various positions I have held. It is my belief that my selection is tied to President Husni Mubarak's confidence, of which I am proud. This makes it incumbent upon me to exert my utmost effort and to work most sincerely in order not to disappoint the good opinion he has of me.

[AL-HAWADITH] The tour you made of the ACC states prior to the Alexandria summit raised questions. Was it tied to approving the Egyptian candidate for the post?

[Nimr] To put it simply, the leaders of the four states wanted me to meet with them prior to the summit to introduce myself and explain my vision of the General Secretariat's role. I visited the four states and met with their kings and president, their prime ministers, foreign ministers and other leaders. The tour was very essential and important to me and to whatever pertains to the General Secretariat's work and the ACC's future hopes.

[AL-HAWADITH] It seems that you have a specific vision of the ACC General Secretariat's work?

[Nimr] Yes, I do have a clear vision in my mind. First, the General Secretariat is not the decision-maker. The decision-making is tied fundamentally to the four leaders. The General Secretariat has to implement the resolutions agreed upon by the Supreme Council, to follow up on the implementation of these resolutions and eliminate the difficulties we may encounter upon implementation by directly contacting the officials of the four states. But in addition to this original task, I believe that

the General Secretariat represents a research center for all projects considered to be in the sphere of economic integration. The secretariat can draft a complete strategy for the integration projects, determine their priority and set a timetable for their implementation. When approved by the Ministerial Council and then by the Supreme Council, this complete plan can be the basis for the ACC action. This means that in addition to the projects agreed to by the Ministerial Council and approved by the Supreme Council, the General Secretariat can survey the economic activity in the four states and express its opinion on the integration projects. In addition to this planning task, the General Secretariat has an administrative task connected with preparing the estimated budget and final account and the Ministerial Council's agenda.

[AL-HAWADITH] The persistent question that requires a clear answer is: What use can a four-member bloc of countries experiencing economic problems and crises be? Can this bloc solve some of their economic crises?

[Nimr] Let me say that the four states represent a major weight in the region, whether economically or socially. If these four states are undergoing difficult economic conditions at present, then it is due to circumstances experienced by the region, especially the Middle East conflicts. But what augurs well is that these conflicts are about to be ended. Moreover, the Arab world is undergoing a phase of reconciliation embodied by the Casablanca summit. Stability in the area will give future economic development endeavors the opportunity to succeed. I also believe that this region has vast capabilities, whether in resources or in manpower. The matter is just one of organizing the use of these resources properly. This requires the ACC to contribute to solving the economic problems experienced by these countries. Moreover, the economic structure on which depends the solution to these problems will also be a motive for realizing the desired objectives of creating the ACC. Furthermore, the ACC is open to coordination between its members and the other [Arab] economically-advanced countries. Another dimension is that the ACC, like any economic bloc, gives its members a great negotiating position in any negotiations with foreign countries to conclude agreements on collective purchases, investments or debt rescheduling.

[AL-HAWADITH] There is a viewpoint which emphasizes that the cooperation areas created by the first [ACC] summit don't go beyond what had been agreed upon and approved in the bilateral higher committees existing between the ACC states before the ACC was founded. So what is new?

[Nimr] These bilateral agreements between Egypt and the three Arab states are, in my opinion, a part of the elements of the ACC's success. The ACC is, in fact, tantamount to expanding the sphere of these agreements so that all four states, instead of just two, may benefit from them. So the ACC is tied to the economic concept of integration between four states. This provides a better

opportunity for specialization according to relative importance and to the availability of the production elements in the four states.

[AL-HAWADITH] In all your previous statements, you have put the emphasis on the economic nature of the ACC whereas the statements of the [other] officials do not deny the strategic or security nature of this council. Are there two languages for speaking about the ACC?

[Nimr] The economic and the political aspects are not separated. But the question is: Where do we begin? This bloc begins from the economic starting point. If it achieves economic strength, then this strength is political strength simultaneously. There can also be coordination in the economic movement and in the resolutions concerning the developments and events in the region or in the outside world.

[AL-HAWADITH] How do you view the issue of coordination between the ACC and the other councils?

[Nimr] We are eager to stress that the ACC is not an axis against any country. We feel that we are a part of the Arab world. There is no doubt that any rapprochement between the Arab blocs or organizations does, in fact, strengthen the concept of Arab unity and pan-Arabism. I will visit the other cooperation councils and the Arab League organizations for coordination, for the exchange of opinions and even for participation in joint projects that are beneficial to every Arab citizen. Generally, there may be differences or variances in the objectives of the councils. But it is the ACC belief that the coordination will be for pushing economic development toward integration. We welcome any exchange of information or any joint endeavors for Arab economic development.

[AL-HAWADITH] In light of the presence of the three Arab blocs, do you think that the Arab League role and task have been surpassed?

[Nimr] Absolutely [not]. The inverse is true. First, there is in the Arab League charter an explicit provision which approves of and encourages such blocs, be they bilateral or quadrilateral. There is no doubt that rapprochement between the blocs will influence the development of excellent relations between the Arab countries. This in itself reinforces the league's role, strengthens its tasks and facilitates its work.

[AL-HAWADITH] There are those who believe that the Economic Unity Council and the Amman summit economic resolutions of 1980 greatly surpass the contents of the charters of the three cooperation councils and that commitment to implementing these resolutions is sure to stop thinking of any blocs.

[Nimr] The issue is not just one of concluded agreements. In my opinion, the criterion of success is not in agreements but in the degree of their implementation. This is why we must achieve economic integration gradually with well-studied projects that are implementable within the limitations and capabilities of the four

countries, without putting pressure on the economies of these countries. The success of such projects, even if they begin modestly, and their implementation with the required promptness and on schedule helps convince the masses and peoples of the ACC states of the council's feasibility and of its important role.

[AL-HAWADITH] But the beginnings produced by the Alexandria summit on free movement and other issues were very modest.

[Nimr] I believe that the ultimate goals can be very ambitious. But the beginning must be modest, provided that it is firm. The projects depend on the wishes of the four states. But it is my opinion that attention must be devoted primarily to the infra-structure projects because the required economic integration is an integration of production through new investments and new plants. This dictates that a good communication network link the four states. It also dictates an electric power network. These are, in my opinion, areas which will be given priority in the implementation of our future projects.

[AL-HAWADITH] Do you think that the recent labor agreement can help solve the problem of Egyptian labor in Iraq and Jordan?

[Nimr] Yes. Agreement has been reached on free movement. But for this movement to become positive without undermining the circumstances of the four states, it is required that a study be conducted on labor available in the ACC states and that the movement of the work force be regulated so that it cannot go to another ACC state only to find that no work opportunities whatsoever are available there, as is the case with the Egyptian workers in Jordan and Iraq. We cannot hold the two countries responsible for the causes of this phenomenon. The impression that the end of the Gulf war means the availability of boundless work opportunities in Iraq is somewhat faulty. We cannot imagine that unemployment will move from one country to another as a result of this agreement. This is an issue that needs to be regulated. The agreement contains an explicit provision that dictates that priority be given to the ACC members' labor. This means dispensing with any foreign labor if it is ordinary labor, i.e. if it does not provide scarce specializations.

[AL-HAWADITH] It has been reported that the Alexandria summit saw difference in the ACC states' positions on the Lebanon issue in particular. How true is this?

[Nimr] It is absolutely untrue. Even though the charter states that resolutions shall be taken by unanimity, consent or majority, the Alexandria resolutions were all adopted unanimously. This means that there were no disagreements on any of the political issues raised.

[AL-HAWADITH] The Alexandria summit displayed the wish to meet again in Sanaa. This will saddle the General Secretariat with a new burden.

[Nimr] The decision to hold the Sanaa summit was a surprise which confronted us with an urgent task after the conclusion of the headquarters agreement in Amman, namely the task of preparing for this summit. This requires that the projects that were previously prepared and studied by the ACC states be gathered and that an agenda be drafted and submitted to the Ministerial Council which will meet in August.

Statistics Show Arab Labor Flow, Conditions in ACC States

45040423 Cairo AL-AHRAM AL-DUWALI
in Arabic 18 Jul 89 p 3

[Article by Mamduh al-Wali: "Size of Egyptian Labor in ACC States; Role of Labor Representation Offices Is Nil; Private Employment Firms Are More Active"]

[Text] The labor issue occupies a prominent place in the agenda of the ACC [Arab Cooperation Council] leaders' meeting in light of the rising unemployment rates in the council states and of the return of a considerable part of the emigrant Egyptian, Jordanian and Yemeni labor to its countries in the wake of the decline in the oil prices and of the [labor] glut experienced by Iraq since the cease-fire. All these factors have led to numerous problems for the Egyptian labor in the ACC states. The value of the Jordanian and Iraqi dinars has dropped and this labor is compelled to accept any employment. In Jordan and Yemen, difficult conditions are set for the employment of Egyptians. In Iraq, work opportunities are scarce at present. This has caused thousands [of Egyptian workers] to return home within a short period of their departure after experiencing hardships. Will the ACC succeed in providing work opportunities to these people?

If we examine labor markets in the ACC states, we find that Egypt is a labor-exporting country and Iraq is a labor-importing country whereas Jordan and Yemen are labor exporters and importers simultaneously. Jordan exports skilled and trained labor and imports unskilled and untrained labor. Yemen imports skilled labor and exports unskilled labor.

The total number of the Jordanian emigrant labor in the Gulf states is nearly 267,000 workers who represent nearly 83 percent of the Jordanian emigrant labor. A total of 94 percent of Yemen's emigrant labor is also in the Arab Gulf states, especially in Saudi Arabia.

Therefore, Egypt, Jordan and Yemen rely on the remittances of their citizens. Simultaneously, they have been experiencing a drop in the value of these remittances since the decline of oil prices and as a result of the return of a part of the emigrant labor to its native countries. Consequently, the unemployment problem has surfaced in these countries.

Impotent Labor Bureaus

But can the Iraqi market absorb the surplus labor in the other ACC states, especially since Iraq has been inclined for sometime now to replace Asian labor by Arab labor?

Iraqi officials stress that Iraq is open to Arab labor by virtue of the manpower the reconstruction phase needs. But this is tied to a final agreement on settling the Iraq-Iran conflict. What diminishes the reliability of this factor is that Iraq is already glutted with Arab labor which has rushed to go to the country since the cease-fire was declared. Moreover, a considerable number of workers released from the Iraqi armed forces will re-enter the labor market. Iraqi women are also entering the labor market in large numbers.

Data provided by the General Administration of International Labor Relations at the Ministry of Manpower shows that the size of the Egyptian labor in the ACC states is more than 1/2 the size of the labor in the other Arab countries importing Egyptian labor. In Iraq, there are more than 1.5 million Egyptian workers, in Jordan nearly 160,000 and in Yemen nearly 50,000.

This labor is engaged in all crafts, especially in the building and construction sectors, in the conversion industries, in teaching, in the trade and services sector and in oil production and refining. Workers in the three countries [of Iraq, Jordan and Yemen] suffer from low wage levels generally. There are 3 labor bureaus in the 3 countries and they make some effort in tending the affairs of Egyptian workers, in establishing good and stable relations between them and the business owners, in addition to studying the labor markets and determining the needs of businesses and project owners for Egyptian labor.

In view of the small number of officials working in the labor bureaus, compared to the vast numbers of Egyptian workers and their numerous problems, the efforts of the bureaus may not show any impact. In 1987, the work opportunities made available through the labor representation bureaus were zero for Iraq, two for Yemen and 93 for Jordan. The licensed employment firms provided in 1987 a total of three opportunities in Yemen, 220 in Jordan and 273 in Iraq. The fact that the three countries have not made it conditional that a visa be acquired in advance for entry to their territories has encouraged many youths seeking employment to go to these countries where most of them accept lower wages, collective housing and any available job in order to cover their living expenses.

Five Jordanian Clubs in Egypt

But what about the Jordanian and Iraqi presence in Egypt?

'Atif Halasah, the minister plenipotentiary at the Jordanian Embassy in Cairo, defines the Jordanian presence in Egypt in three groups: Students, businessmen and the seasonal presence of tourists. Student presence is the biggest, with 3,061 students enrolled for the B.A., 150 enrolled in institutes and a similar number for the M.A., 76 for a diploma and 76 for a Ph.D. degree. There are 5 Jordanian clubs in Cairo, Alexandria, [two words indistinct] and al-Mansurah. The new form is the presence of Jordanian businessmen in semi-permanent residence in

Cairo, Alexandria and Port Sa'id where they have their joint industrial and commercial projects with Egyptians. The number of such businessmen is growing in light of the Supreme Joint Committee's agreements and plans.

I asked: Why do Jordanians come to work in Egypt. The answer was that the [lighter] restrictions on taking money out of Egypt and low wages, as well as the inducements of travel to the Gulf in comparison with the inducements of travel to Egypt, are the reason.

Iraq Does Not Require Contracts

Egyptian labor in Iraq represents the biggest Egyptian presence outside Egypt. The figures given by the various agencies here and there differ. However, the number is close to 2 million Egyptians spread throughout Iraq and engaged in all kinds of work and professions. With the increasing number of emigrants since the cease-fire, unemployment has increased among them, the number of those of them sleeping on sidewalks has grown, fraudulent acts among Egyptian concentrations have multiplied and unacceptable behavior has surfaced among Egyptian female beggars and female entertainment workers. Despite this large number, no league for Egyptians in Iraq has been formed to date. Regarding the problems facing Egyptians in Iraq, Nabil Najim, Iraq's ambassador in Cairo, has said: What is being said about the remittances issue needs to be clarified. Under the umbrella of the war, there were no remittance limits. The current remittance percentages are good and they can be re-examined and modified in light of the progress of the peace process. This remittance benefit is not available to Iraq. The Iraqi market is open and does not require advance work contracts, except in rare cases. We still need some specializations, such as nurses, anesthetists, ex-ray technicians and others.

What is being said about the destruction of cassette tapes and the tearing of letters [by Iraqi officials] upon entry or departure—cassettes are banned for both Iraqis and non-Iraqis. The tearing of letters has decreased greatly. The trans-boarder transport of such letters, which are often open, is now permitted. What is being said about giving the Iraqi preference over the Egyptian is untrue. When the Egyptian Ministry of Social Insurance asked us to deduct a part of the Egyptians' wages, we did not agree to the request.

Harassment of Labor in Jordan

Foreign labor in Jordan amounts to nearly 226,000 workers, including 160,000 Egyptians whose numbers grow in the summer. The fact that no entry visa is required, exemption from the residence permit and the ease of travel from Nuwaybi' to Jordan increased the number of Egyptians and Egyptian labor arriving in Jordan from the early 1980's until 1984 when the Jordanian labor market began to experience a labor surplus. This surplus has increased over the years with the return of emigrant Jordanian labor and with the presence of unemployed Jordanian graduates. This is when foreign labor began to be viewed as a drain on Jordan's foreign

exchange assets, especially since there are no restrictions on remittances. Moreover, this labor represents pressure on consumption and on subsidized goods and poses difficulties to the employment of Jordanian labor.

This is why the fees for work permits given to Arab labor have been increased from 30 dinars to 100 dinars and why a fine of 500 dinars is levied on any businessman who employs workers before they get this work permit. Such workers are also deported at his expense. With the increasing foreign labor, the average daily wages have decreased at a time when the Jordanian dinar's exchange rate has collapsed since the West Bank was separated administratively from Jordan.

Thousands of Egyptians are in Jordan illegally and these people accept the most menial jobs. Businessmen welcome them because of their low wages. A large number of such workers are deported daily whereas others return to Egypt shortly after their departure upon discovering it impossible to find employment.

Responding to what is being said about the difficulties and deportation to which Egyptian workers in Jordan are subjected, 'Atif Halasah, the minister plenipotentiary at the Jordanian Embassy in Cairo, has said: The Egyptian labor has a bigger presence than the foreign labor coming from other countries. Egyptian labor is still needed in some fields, such as nursing and agriculture. The Egyptian's wages are close to those of the Jordanian. As for the fee required for the acquisition of a work permit, it is up to the ACC to discuss this issue, as well as the issue of changing jobs with the same work permit. As for the so-called insults made by Jordanian police against those arriving from Nuwaybi', they may be no more than direction and censure resulting from the lack of discipline among the arrivals because of their educational level and their large numbers. As for what is said about police inspection campaigns, imprisonment and deportation without paying the workers' wages, it is an exaggeration.

Asian Labor Is More Abundant in Yemen

Teachers constitute the overwhelming majority of the Egyptians in Yemen who come by way of contracts with the Ministry of Education and al-Azhar or through internal and external contracts at Kuwaiti and Saudi expense. Numerous Egyptians teach at the university and are employed in the media and the cultural field. The residence problem tops the problems of Egyptians in Yemen. Last year, 3,000 Egyptians were found seeking teaching contracts in Yemen after having arrived without any contracts. Egyptians in Yemen get together through the Egyptian Club in Sanaa. Ahmad al-Shaykhi, Yemen's ambassador in Cairo, points out the growing travel activity between Egypt and Yemen, with the Yemeni Airways making five trips weekly, in addition to two Egyptian trips every 2 weeks. Maritime communication is limited and needs to be strengthened within the framework of the ACC. What is more, there is no land communication at present.

Asian labor in Yemen has the numerical superiority over Egyptian labor, especially Chinese, Korean, Indian and Pakistani workers employed in construction and road building. This is due to Egypt's relatively late exportation of its labor [to Yemen]. Moreover, little information is available to Egyptians on the Yemeni labor market. Numerous Yemeni initiatives have been made to import Egyptian labor. The Yemeni private sector has imported Egyptian agricultural labor. Agriculture is a field which may expand more by virtue of the presence of large arable areas in Yemen. Free movement and joint projects through the ACC will perhaps provide greater work opportunities for Egyptian labor in Yemen. The private sector must assume its role in the commerce, agriculture and industry sectors without relying on governmental cooperation.

Remittances Outside Banks Prohibited

The Ministry of Manpower has issued information guidebooks for Egyptians wishing to work in the ACC countries. The guidebook for those wishing to work in Iraq says that the Iraqi labor market does not need ordinary unskilled labor, except within the narrowest limits. It is also important for skilled workers who have no academic certificates to acquire skill standard certificates and work permits. It is also essential that they report to immunity-testing centers within 5 days of their arrival in Iraq for blood tests to make sure that they are free of AIDS. Truants are fined 500 Iraqi dinars. If they fail to pay, they are imprisoned for 6 months.

The guidebook also says that an individual entering Iraq may not take with him more than 25 Iraqi dinars in Iraqi currency and an individual departing from Iraq may not take out with him more than 5 Iraqi dinars. New arrivals in Iraq have to register their names at the Egyptian Consulate in al-Mansur Quarter, Baghdad, and must keep a copy of their passports and their dossier numbers at the consulate. New arrivals must also go to the Arab Citizens' Affairs Bureau at the place of their residence in Iraq within 2 weeks of arrival so that their passport can be stamped and they can acquire a special identity card. Otherwise, they are subject to fines. Upon moving from one governorate to another to take up a job or to seek employment, an Egyptian has to go to the Arab Citizens' Affairs Bureau in the governorate to which he is going. When planning to leave Iraq, he has to go to the Arab Citizens' Affairs Bureau to get an exit visa after getting a release from his employer. Once this is done, he is not permitted to work for another employer, regardless of whether it is the private sector or public sector, until he gets a release from the first employer.

Egyptians employed in the government, public sector and joint sector are allowed to remit 60 percent of their monthly salary. Those employed in the regulated private sector are permitted to remit 40 dinars monthly and those in the unregulated private sector 25 dinars monthly. The remittance of money outside al-Rafidayn Bank is prohibited. Contraveners are subject to criminal liability. A

worker who is younger than 16 or older than 55, and a disabled worker, is not permitted to make any remittances.

Contracts for administrative, financial, legal and educational jobs may not be concluded with non-Iraqis.

Changing Place of Work

The guidebook for Egyptians wishing to work in Jordan also states that a contract work must be approved by the Jordanian Ministry of Labor, the Labor Representation Bureau at the Egyptian Ministry in Amman and the Egyptian Ministry of Manpower. A criminal record, a work permit and a skill standard certificate must also be acquired by skilled workers who have no diplomas. Upon arrival in Jordan, an Egyptian has to register his name at the Egyptian Consulate in Amman. Within 2 weeks of his arrival, he has to go to the closest security office for a residence permit and for a security check identity card. If he fails to do so within this period, he has to pay a 10-dinar fine as well as the departure fee upon leaving the country.

No job may be taken up in Jordan before a work permit is acquired from the Jordanian Ministry of Labor by submitting the approved work contract, the security card and the health certificate. A one-year work permit is issued for a fee of 100 Jordanian dinars. The fees for an agricultural worker are 10 dinars.

A foreign worker in Jordan is not permitted to change his employer before getting the approval of the Jordanian Employment Bureau, on condition that he get a release from the first employer after working for him for a period of no less than 6 months. Such a worker has to apply anew to the Employment Bureau to get a new work permit.

Foreigners in Jordan are not permitted to work in accounting, administrative, teaching and secretarial jobs, as salesmen in shops or as gas station attendants. They are also forbidden employment in any professions in which Jordanians registered with the employment bureaus are seeking jobs.

Egypt has concluded an insurance agreement to deal with road accidents to which Egyptians, whether transit passengers going through Jordan to other Arab countries or living in Jordan for long periods of time, are exposed. The agreement was concluded with the Jordanian Economic and Social Organization of Military Pensioners which charges just 2 Jordanian dinars to insure transit passengers for a period of 15 days. It also charges the same sum for Egyptians arriving to work in Jordan for one month only. In case the beneficiary wishes to stay in Jordan longer, he has to contact the organization to issue him a one-year insurance card for a 3-dinar fee.

This insurance covers full medical care for an accident victim and a sum of 500 dinars as a compensation for injury. The insurance also covers the cost of transportation of the body by air in case of death and a sum of 1,500 dinars as a compensation for heirs in the case of death.

NEAR EAST

Fine for Contravention in Yemen

For those wishing to work in Yemen, the Yemeni labor market does not need unskilled ordinary labor. The contract has to be approved by the Ministry of Labor and by the Yemeni Consulate in Cairo. Upon arrival, the worker has to acquire a work permit and register his name at the Egyptian Consulate. The residence permit issued by Yemen to tourists at the airport is for one month as of the date of arrival. An Egyptian can leave within this period without a departure permit. But if he overstays the permitted month in Yemen, he has to pay a fine of 20 Yemeni riyals for every day beyond the permitted period.

PALESTINIAN AFFAIRS**Women Playing Significant Role in Intifadah**

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in Hebrew 23 Jun pp 23,25

[Article by Alex Fishman: "Women's Corps"]

[Text] The officer emptied the baskets on the floor of the search room: eggplants, lettuce, onions. Everything spilled out together, was pushed into one pile, and every item was examined. Lettuce leaves were pulled apart and the eggplants were pierced. A girl soldier passed a hand-held metal detector over the woman's body. She was a village woman from the Nablus area. Her 7-year-old son stood next to her. The two stood there gaping, and continued to gape even when the boy was asked to strip. The summer clothes were carefully examined.

Damiya Bridge. Mother and son were on their way to Jordan. They were pulled out of the group of people waiting by the exit gate. "She's got something, take her apart," the policeman told the reserve officer in charge of security at the gate. While peeling off sheet by sheet the huge pitas made of puff pastry dough, he found a letter. The village woman sighed and wrung her hands. The boy, scared, pressed close to her. Another intifadah [uprising] courier arrested at the Damiya Bridge.

The officer looked at her. She was a far cry from the glamorous couriers of spy movies—a simple woman who until 2 days before never left her yard unaccompanied, not to mention her village, never mind political awareness. Today she was on a mission, passing on instructions, and perhaps attempting to smuggle money on her way back. Taking a risk, taking a stand. From the viewpoint of the intifadah, this village woman may well represent an internal social revolution. Many PLO members would like to view her and her sisters as a symbol of change in the status of women. In point of fact though, this is more of a pretense than a true picture.

Women are present everywhere in the intifadah in street demonstrations, tire burning, and throwing stones and molotov cocktails. They are members of the popular committees established at the onset of the intifadah, they

coordinate supply sources and education, and deal with health matters and even agriculture. There are women in the strike committees and in the Palestinian popular army. There they are still few in number and are put in what are called "support committees"—bodies dealing with logistics, such as gathering stones and iron bars and keeping watch. Today one does not yet see women in any significant number in the front lines of the strike committees, but that may well happen tomorrow. In demonstrations they have been in the front lines from the beginning: schoolgirls, students, married women, town and village women, religious and secular.

Palestinians are aware of the fact that the army refrains from arresting women for disturbing the peace. Army instructions are very strict concerning the use of force against women. That is why they march in the front lines, while the youth hide behind them. According to IDF [Israel Defense Forces] reports, 13 women were killed by IDF soldiers from the beginning of the intifadah to the end of May this year, and 5 women were brought to court. The number of women arrested and transferred to police authority is not known. Palestinian sources put the number of women killed by army and settlers at over 60.

The village woman arrested at Damiya Bridge disappeared in the sea of the intifadah. Among the more famous women arrested or deported were, for example, Ra'idah al-Misri and Hanan al-Bitar. Al-Misri was chairman of the Women's Association in Nablus. In Israel she became known as the widow of former Nablus mayor Zafir al-Misri, who was murdered by Palestinians a few years ago for agreeing to serve as mayor with the blessing of the civilian administration. Ra'idah al-Misri was deported in 1988 for 2 years. She was caught smuggling money from Jordan. Israel's prohibition on bringing money into the territories created a courier branch in the intifadah. Hanan al-Bitar was arrested when over 100,000 dinars were found hidden in her house in Nablus. She was financial secretary of the Red Crescent in the West Bank and Gaza and deputy chairman of the Arab Women's Association in Nablus.

The al-Misri family is among the prominent families. Members of the family crossing the bridges were usually not searched. They did not have to stand in line. A taxi waited for them on the bridge, bypassed all the bureaucratic procedures, and deposited them, escorted by an Israeli soldier, immediately on the Jordanian side of the bridge. On the way back they were only superficially examined. Later it was found that Ra'idah al-Misri smuggled money from Jordan to the West Bank more than once.

Investigation files cite women not only as money couriers. Some women carried messages from the territories abroad and instructions from abroad to local leaders. Others carried information, messages, and pamphlets inside the territories from one area to another. As far as violence is concerned, most prominent in that regard are women from rural areas and refugee camps. They hide

fugitives, try to prevent IDF soldiers from seizing suspects, attempt to snatch weapons, and try to attack and stab soldiers.

A parallel medical system was set up within the intifadah as an alternative to the one that is under civilian administration supervision. At the center of this system are women. In order to provide medical aid to wounded intifadah, they organize "health days," on a voluntary basis, in neighborhoods and refugee camps. Women help run neighborhood infirmaries that treat the wounded, so that they do not have to go to administration-supervised infirmaries. This alternative infrastructure is based on old, permanent health organizations in the area: the Association of Medical Care Committees, a body identified with the Democratic Front, offers services especially in areas in which there are no permanent medical facilities; the Popular Medical Services Committees, identified with the Popular Front, runs mobile infirmaries in villages and refugee camps; the Association of Medical Aid Committees, run by the Palestinian Communist Party, was established in the mid 1970's and has 16 permanent medical facilities and eight mobile units.

Educated women are used by the uprising leadership for propaganda activities. They participate in congresses and press conferences abroad and meet with foreign delegations and journalists inside the territories. A considerable part of these activities was coordinated in the office of Raymonda Tawil, which in the course of the intifadah was closed down for 2 years. The intellectuals among them also meet with Israelis, have contacts with Israeli women, and disseminate pamphlets to IDF soldiers. Among the most prominent are Mary Khas, a former Israeli citizen in charge of the kindergartens of the Relief and Employment Agency in Gaza; Hanan Ashrawi, dean of the Humanities Faculty at the Bi'r-Zayt University; Yusri Barbari, chairman of the Gaza Women's Association; Samihah Khalil, chairman of the Family Care Union in al-Birah. Journalist Raymonda Tawil in the past also belonged to that leading group.

The foundation for women's activities in the intifadah existed long before its outbreak. Basically, it consisted of four large and relatively old women's organizations affiliated with various PLO currents. The Labor Committees Association was established in 1978 and is identified with the Democratic Front; secretary of the association is Zuhayrah Kamal, the first woman who attended a meeting between a Palestinian delegation from the territories and an American representative. Her organization provides professional training for women, first aid courses, literacy programs, lectures for women, organizes bazaars for collecting money, helps detainees' families, issues pamphlets, and brings out a publication called SAWT AL-MAR'AH, Women's Voice. In the English version of it, under the title "Who Are We," association members introduce themselves to the external world as: "United around a program based on a socialist and feminist perspective, our association works

to improve the economic and social condition of women and to defend their basic rights to work, education, and personal advancement."

Another women's organization is the Association of Working Palestinian Women, which was established in 1978 and is affiliated with the Palestinian Communist Party. This organization publishes a magazine called THE WORKING WOMAN AND HER ROLE IN THE OCCUPIED TERRITORIES. Another organization is Fatah's Association of Women for Social Work established in 1988. Its members mainly run literacy programs and vocational training for women, collect donations, and organize strikes and actions on behalf of detainees. The Association of Palestinian Women, with headquarters in the Nablus Casbah, is viewed as the organization of the Popular Front. It was established in 1981 and has about 30 branches, 10 of which were born during the intifadah. Most of its contribution is in promoting economic independence in the West Bank by opening tailor shops, small food processing enterprises, and bakeries, which employ women.

At the November 1988 Algiers meeting of the Palestinian National Council, the PLO leadership was urged to unify all the women's organizations in the territories within a supreme women's council. On 9 December a pamphlet was already being circulated in Nablus by the Supreme Women's Council. On 8 March 1989, an additional pamphlet was brought out by the same council to mark International Women's Day. The Supreme Council is, however, still at its inception and so far its only real action was to organize a bazaar at Hotel "Watani" in East Jerusalem.

Aside from the major, established women's organizations, some 500 other women's associations and charity organizations are active in the territories. One of the prominent West Bank women, Samihah Khalil, was at the head of one such association, the Family Care Association in al-Birah. Khalil is identified with the Democratic Front, and her association was closed down by order of the administration. Activities continue, however, to be carried out in the association's building. Some 150 women work there, while another 5,000 are employed by the association to do sewing and embroidery at home. The association building also houses an orphanage and a day care center. The association also runs bakeries, infirmaries, a beauty parlor, textile workshops, and a Palestinian folk museum.

Samihah Khalil cuts an unusual figure among Palestinian women. She was the only woman in the National Steering Congress that led national Palestinian activities in the territories at the end of the 1970's and beginning 1980's. Khalil's position on women's status has remained conservative. She does not believe in the possibility of achieving equality between men and women. In that respect she disagrees with, for example, a woman like Hanan Ashrawi, who views the intifadah as an opportunity to advance the status of women in Palestinian society. This disagreement is the cause of

splits among women in Gaza, too. The dominant figures, each of whom expresses the opposite position, are Yusri Barbari, who was a member of the Palestinian National Council, and Attorney Amal Zamili, head of the Young Muslim Women's Association in Gaza.

Already in 1964 Barbari established the Association of Palestinian Women in the Gaza Strip for the purpose of achieving full equality of rights for women. Amal Zamili, on the other hand, is head of an association identified with the Hamas [Islamic Resistance Movement] religious movement. Hamas' charter, published on 18 August 1988, states: "The place of the woman is in the struggling home and amid the struggling family. Her most important role is to take care of the home, raise children, and educate them with values based on Islam and geared to following its commandments toward the Jihad as is expected of them." Zamili's association ensures that women dress modestly. They may not go out to collect donations, other than at mosques. Zamili trains them in sewing, embroidery, and office work. In contrast, Lilly Saba, chairman of the Association of Professional Women in Gaza, which has about 300 members, works to secure jobs and advanced professional training, while at the same time endeavors to raise women's social consciousness.

Yusri Barbari's views are shared by Mary Khas, a former RAKAH [New Communist List] member who moved to Gaza with her husband in 1970. In her public appearances Mary Khas claims that without women the uprising would not have recorded any success. She, too, fears that in the wake of increasing Muslim elements in the territories, Palestinian women will share the fate of Algerian women, who actively participated in getting rid of the French, only to be returned to their traditional roles after the liberation. Palestinian women, Khas says, must learn from what happened to the Algerian women.

The PLO goes out of its way to emphasize the change that occurred in the status of women in the course of the intifadah, with a view to presenting to the world a democratic and progressive picture, except that traditions are very difficult to break in actual life. In recent months officers of the civilian administration carried out a survey on the role of women and their status in the intifadah. They interviewed prominent activists in women's organizations and came to the conclusion that the revolution which people discuss still has not brought about a proper representation of women in the centers of social and political power in the territories. Similarly, the change in the status of women as individuals in the course of the intifadah is apparently more of a consequence of practical needs than of a conscious revolution in society.

The women who were interviewed did not hide their views on this sensitive subject. The director of the Red Crescent in Tulkarm, Sara Hanun, said that "Daughters are still objects of trade to fathers, to be married off for the bride price. After the marriage they continue to give part of their salary to their parents." Another woman

without illusions, Botana al-Jamal, principal of a girls' school in Bethlehem, said: "The society is basically conservative and it has not changed its fundamental views where women are concerned." To Amal Zamili, who is identified with Hamas, the situation is very clear: "Women must not deal with politics, but with raising the new generation. Women must behave according to traditions."

At the end of 1988 the Circle of Ideological Encounter, a group of Palestinian intellectuals in East Jerusalem, organized a symposium on the condition of women in the territories in light of the intifadah. Its conclusions were dismal: Palestinian society does not allow women roles which deviate from tradition; in recent years there has even been a drop in the number of women working outside the home. Neither has education changed women's status. The symposium's summary stated: "Women are tied down by social circumstances and limitations. This reflects the outer limits to which they can aspire. Women cannot and do not have to exceed those limits."

One of the myths about the revolution regarding the condition of women feeds on the image of the Palestinian woman who works outside the home and contributes to the upkeep of the household. This image was increasingly reinforced during the intifadah after it was decided to boycott Israeli products and to manufacture replacements in the territories. Statistics show that women make up about 1/4 of the work force in the territories (as compared to 15 percent of the Arab population in Israel); many of them are employed in part-time jobs. Figures provided by the Palestinians themselves show that women's contribution to the economy of the territories came about as a result of economic difficulties, not of economic development. Failing industry and, to a great extent agriculture, too, pushed most women into services and office jobs. Their work in agriculture is seasonal and is reduced to fruit picking, sorting, and packing. The number of women who go to work in Israel has been steadily dropping. In 1979 they made up 4.5 percent of residents of the territories working in Israel. In 1983 that figure dropped to 2.5 percent, most of whom were village women. In recent years that number decreased even further: from 838, 2 years ago to 708, 1 year ago, to 469 this year.

Most of the college-educated women in the territories work in the areas of medicine and pharmacology. They make up some 13 percent of dentists, 30 percent of pharmacists, and some 8 percent of physicians. Women account for 7 percent of the journalists' union, 6 percent of the attorney's union, 8 percent of the agronomists' union, and only 4 percent of the engineers' union. On the other hand, some 50 percent of farm workers in the West Bank are women, and 13 percent in Gaza (as compared to 12 percent of the Arab population in Israel). Women in service jobs represent 35 percent in the West Bank and 65 percent in Gaza. There are no women in the top national leadership.

Women working in the territories are subject to Jordanian labor laws in the West Bank and Egyptian labor laws in Gaza. Those laws definitely discriminate between the sexes. Maternity leave in the territories is only 40 days, and the concept of overtime does not exist. Salary is from the start much lower for women than from men performing equal work.

Aside from fighting the Israeli government, the intifadah also has a social impact. It is the young people's revolution. One-third of the population of the territories is made up of people between 15 and 34 years of age. They are dismissing the previous generation, especially its values and the chains of tradition. On one public occasion Hanan Ashrawi stated that "The intifadah has eroded the authority of parents and their influence on children. The traditional dominion of parents over children is wrong. Today children play a role in the family. The weakened status of parents sometimes influences relations within the family, something that will have long-term implications." Helen al-'Arj, wife of the mayor of Bayt-Jallah who is active in a charity organization, said that "The children do not respect their parents as in the past. Today it is very difficult to control young people, who do as they please. Today's youth is more violent." Maysun Sabri, principal of a girls' high school in Qalqilyah: "The authority of mothers and fathers in the family has been impaired. Today it is the youth who call the tune."

However, this youth rebellion has a completely marginal impact on the institution of marriage and on the condition of women within it. Although the intifadah brought down the bride price (according to a publication brought out in London, the bride price in Gaza, for example, has dropped to 1/5 of what it used to be), this can be explained by the difficult economic situation and the surplus of unmarried women. Wedding ceremonies are also more modest; the victims of the uprising and the economic situation take their toll on happy events. The drop in the bride price and in the cost of wedding ceremonies, the relatively intense contact between women and men in the streets, and the sense of an equally shared national burden have not influenced dry statistics in any way that may indicate dramatic change. Shari'ah court figures for 1988 in the West Bank show that 12,860 couples were married in the first year of the intifadah, 100 fewer than in the previous year. There was also a decrease in the number of divorces, from 386 in 1986 to 352 in 1988. A breakdown of the data concerning marrying couples shows that Palestinian college-educated women, particularly those who studied abroad, and especially those whose families live in villages, have difficulty finding a mate. Palestinian men, even the intellectuals among them, are not eager to enter an egalitarian family life with a woman as well educated as they are. The majority still prefer to marry a woman less well educated.

For the time being it seems that the social revolution that is affecting intifadah Palestinians is passing women by. The arrest of thousands of men in the course of the

intifadah could have paved the way for women to take their place in the economy and in national activities. But that did not happen in reality. Palestinian left-wing movements are trying to promote the status of women, but Palestinian society remains basically conservative. At times of popular war, women are pushed forward as a safe resource. But as soon as things calm down they are expected to step down and return home. That is what happened in other places and that is what will probably happen to Palestinian women.

EGYPT

Article Traces Muslim, MB Views of Multiparty System

45040361 Cairo AL-SHA'B in Arabic 23 May 89 p 6

[Article by Ahmad 'Abd-al-Rahman: "The Islamic Fundamentalists and Party Politics"]

[Excerpt] What is the attitude of the pioneers of the Islamic awakening towards political pluralism? And what is the attitude of Muslims in general towards the multiparty system? More important than all that, and as a matter of precedence: What does the Holy Koran have to say about parties? This is the issue that we address here.

Some Islamic fundamentalists have accepted pluralism and enlisted in the party ranks, helped to form parties, participated in party-political life, and taken part in parliamentary elections. Some have participated in government, and many have sat on the opposition benches without having any objection to doing so. It is these who have resisted the tide of secularism in the political fields.

Others have rejected political parties and their machinations as divisive to the nation, an obstacle to its unity, and a dissipation of its endeavors, but have nevertheless accepted the modern representative parliamentary system, have supported it and participated in it, and have played a positive and effective role in political life.

The overwhelming majority of Muslims, however, have distanced themselves from parties and renounced political activity. Many have believed that political activity is not sanctioned by religion or is even alien to it. Some have thus occupied themselves with their own interests and have contributed very little to activities for the public good. Such an attitude has nurtured many other situations, most significantly individual autocratic rule with all its concomitant hazards that are destructive of opposition-party activity. The disinclination to participate in political life has thus increased to the extent that we confront it today in perplexity and impotence. This phenomenon is of grave harm and represents a serious loss for the Islamic trend and the Islamic awakening. Success in attracting this pious Muslim majority into the arena of party-political action would certainly change the face of life in our beloved country in the interests of Islam, and it is this that motivates us to undertake this

examination of the multiparty system from the Islamic perspective. We pray to God for success.

The Experiment With Pluralism

The multiparty system is, of course, the prevailing system in Western Europe, the United States and some Asian and African countries. It is gaining ground daily, since long experience has demonstrated the devastating failure of one-party systems. Egypt became acquainted with the multiparty system in 1908, when Muhammad Wahid al-Ayyubi established the first Egyptian political party and, in the same year, the late Mustafa Kamil formed the National Party. Parties subsequently multiplied, and Egypt came to know the system in all its negative aspects. The intrigues of the British occupation and palace corruption were the most important factors that marred that experiment and alienated the masses from it, so that certain writers, such as Tawfiq al-Hakim, began to propagate the idea of a single party, the "adored leader", and one for all and all for one, while Egypt had yet to learn from experience the meaning of the one-party system and the setbacks and defeats it could bring to the country and its people.

Attitude of the Muslim Brotherhood [MB]

The negative aspects of the multiparty system had their repercussions on the attitude adopted by the martyred Imam Hasan al-Banna, the first supreme spiritual guide of the Muslim Brotherhood. He criticized the "extravagant factionalism" practiced in Egypt in the 1930's and 1940's, despite the fact that he supported the modern representative parliamentary system as not being in conflict with Islam and on the grounds that "it does not preclude the unity of the nation and national consensus, and division and dissension are not its prerequisites even though some might be of the view that the representative parliamentary system is founded on factionalism". He goes on to say: "This, however, while it might customarily be the case, is not fundamental to the existence of the system; it can be put into practice without such factionalism and without detriment to its fundamental norms". (See *Majmu'at al-Rasa'il*, pp. 215-216.)

With regard to unsound factional practices, al-Banna went so far as to say that the situation "can no longer be resolved fairly; there is henceforth no alternative but to dissolve all of these parties and combine the forces of the nation into a single party acting for its complete independence and freedom and elaborating principles for its general internal reform. Events will subsequently indicate to people modes of organization within the unity required by Islam." (*Ibid.*, p. 221.)

Al-Banna portrays party corruption in those days, saying that the parties in question "are no more than a series of splits that have been brought about by personal differences among groups of members of this nation", each party "consisting of a former minister together with his allies and disciples".

Al-Banna nevertheless found no offense in presenting himself as a candidate for election within a multiparty system. He ran for office twice, and the Muslim Brotherhood was angered when he withdrew his candidacy at the request of al-Nahhas Pasha. (See Umar al-Tilimsani, *Dhikrayat La Mudhdhakarat*, p. 79) Such a position indicates that he did not consider the multiparty system to be prohibited by Islamic law since, if that had been his view, he would not have consented to run for election to a parliament based on that system. It is to be noted, moreover, that the first supreme spiritual guide of the Muslim Brotherhood adduced no specific texts from the Koran or the Hadith setting forth the ruling of Islamic law with respect to the multiparty system, at least not in his collected correspondence. This indicates that he disapproved of parties because of their venality and because of the fact that they presented an obstacle to national unity in the face of British colonialism. In other words, he disapproved of the parties because of the harm they had caused, and he called for their dissolution in order to halt the inroads of divisiveness. If the nation was to unite in a single, provisional party within a sound representative system free of fraud and deceit, then it would be able to expel the occupier and institute reforms. It would then be for the nation itself to organize its affairs in the manner it saw fit "under the unity required by Islam".

The attitude of the Muslim Brotherhood towards the multiparty system becomes clearer when it is recognized that some members of the supreme constituent council were also members of political parties. Such was the case with the late Muhammad 'Abd al-Rahman Nasir, who was the constitutional liberal party deputy for Banha—"to which the martyred Imam had no objection as long as the principles of the Brotherhood and the propagation of the faith remained his end in view" (*ibid.*, p. 151). Since 1984, the Muslim Brotherhood has participated in elections, and some of its members are currently deputies in the People's Assembly.

To join a party, then, with the intention of thus serving Islam and promoting religious observance, is—in the view of the Brotherhood—an act that is neither forbidden nor reprehensible. In other words, party activity is a "neutral" means under Islamic law, meaning that it can be used to promote the good and the true and to further the interests of the nation, just as it can be an instrument of abuse and divergence and can divide the nation and dissipate its strength. It is thus enjoined on all who take an interest in their religion and the affairs of their country and nation to participate in such activity so that it can be channelled in a truly Islamic direction and safeguarded from deviation and corruption. It is this that some of the Brethren have tried to do.

Despite the foregoing, it is still certainly true that the members of the Brotherhood would prefer to establish an "all-engaging Islamic association" which, rather than restricting its activities to politics, would be a small-scale, exemplary Muslim society in which there is no separation between faith and works, politics and ethics,

economic activity and prayer, or leisure and worship. It was not through politics that the nation declined; and it will not be by politics alone that it will rise. If they are obliged to establish a political party, within the multi-party system, they will not hesitate to do so. Al-Tilimsani says in that connection: "I hope that if there is no alternative to the existence of such a party, then for us to stand perplexed would be intellectual impotence. We should rather take every legitimate way we can to spread our mission in all circles. If God decrees that we should be restored to what we once were—the "Association of the Muslim Brotherhood"—the comprehensive, general body—that would be for us better and preferable" (*ibid.*, p. 186). [passage omitted]

ISRAEL

Husayni on Intifadah, PLO

44230153 Tel Aviv HADASHOT in Hebrew
21 Jun 89 p 21

[HADASHOT interview with Faysal al-Husayni by Zvi Gilat; first three paragraphs are introduction]

[Text] The PLO, according to the press, agreed recently to allow representatives of the residents of the territories to discuss preparations for the elections with Israel. According to the reports, 'Arafat mentioned under certain conditions the names of Faysal al-Husayni, Sari Nusaybah, Fayiz Abu-Rahman and Hanna Sinyura as acceptable representatives. According to the commentators, this move is meant to break the stalemate and strengthen the moderates among the leadership in the territories.

Faysal al-Husayni, who is considered to be the foremost leader of the central tendency within the PLO, says that he reads the papers just as we do. He doesn't know any more than that. It's reasonable to assume that he's doing a few more things besides reading the newspapers. His packed schedule yesterday included discussions in Tel Aviv, then in Jerusalem, then back to Tel Aviv for an appearance before the Young Leadership of the Labor Party. This brief interview took place in the lobby of the Tel Aviv Hilton. Two days from now he'll be making a sortie to Berlin.

It can be understood from al-Husayni's comments that we will get out of the political stalemate only towards the end of the year. Neither a firm hand nor replacements of generals will defeat the intifadah [uprising]. The ferment in the Likud Central Committee is only a good sign. It will finally be possible to know with whom and about what there will be talks.

[HADASHOT] According to reports from Washington, the PLO has agreed to the elections. Is this a change?

[al-Husayni] No. We always supported the principle of the elections. We opposed several of the conditions that Mr Shamir and Mr Rabin posed.

[HADASHOT] Has something changed in your attitude towards those conditions?

[al-Husayni] I have no idea of the present status of the dialogue between the United States and the PLO, and therefore I am not able to tell you what has changed.

[HADASHOT] According to published reports, 'Arafat is willing for a delegation from the territories to talk with the Israeli authorities about the arrangements for the elections. According to those reports, the reference is to you, Sari Nusaybah, Fayiz Abu-Rahman, Hanna Sinyura, and others. Do you know something about that?

[al-Husayni] I read newspapers just as you do.

[HADASHOT] You know nothing beyond what was published in the press?

[al-Husayni] No.

[HADASHOT] If you had the authority to meet with representatives of the Israeli authorities and to discuss with them the arrangements for the elections, what would you demand?

[al-Husayni] First of all, that they treat us as a people and not as a minority.

[HADASHOT] What do you mean?

[al-Husayni] I mean that we are the Palestinian people. Not only those in the conquered territories, but also those in other places. I, for example, am here. Three of my brothers are outside, and it is not possible to say that I am of the Palestinian people and they are not. They, too, have rights.

[HADASHOT] The issue at this moment is elections for the residents of the territories. Have there been any negotiations between you and representatives of the Israeli authorities on how to organize these elections?

[al-Husayni] No, there was nothing, and I say to you that we are unable to agree to even one step when we don't know what comes afterwards. To tell me 'take this and we'll talk afterwards' is not for me.

[HADASHOT] You know that in the Likud also there is now disagreement over the elections.

[al-Husayni] First, let the Likud have a clear position, then we'll see how to speak with them. You know how it is. Without knowing what you want, I can't tell you what I want.

[HADASHOT] Does the absence for the moment of a decision by the Likud's Central Committee somehow hold up a dialogue?

[al-Husayni] When the other side is clearer, we can speak with it. There's the possibility of a dialogue, and even if there won't be a dialogue, there will be war, and we'll know what we're fighting for.

[HADASHOT] What do you think will happen in the Likud Central Committee?

[al-Husayni] Something will happen that will serve the interests of the Israeli people. Something that will serve the interests of the people of Israel must also serve the interests of the surroundings, meaning the interests of the Palestinian people. I want you to read our peace initiative very carefully. It is good not only for us, but also for the people of Israel.

[HADASHOT] I assume that that is what you are going to say today to the Young Leadership of the Labor Party. Do you have the opportunity to say such things also to persons from the Likud? After all, they are the ones who decide here, not the Alignment.

[al-Husayni] Once, I spoke with someone from the Likud, and they threw him out of the party.

[HADASHOT] One gets the impression—from the press, I admit—that the moderate tendency within the Palestinian leadership in the territories has become weaker. Do you feel pressure from extreme elements who are not interested in discussions with Israel?

[al-Husayni] No. Up to now, the intifadah has proceeded in the direction of a political solution.

[HADASHOT] If there is no pressure, I see no reason for you to be absent from a meeting of the leadership in the territories with Butrus Ghali in the home of Ambassador Basuni.

[al-Husayni] I simply didn't have the time that day. So I went there the day before and said that I didn't have the time, that maybe it would be worthwhile for them to come to me in Jerusalem. To my regret, they didn't have the time.

[HADASHOT] At that meeting, Hashem Saftawi of Gaza presented his own peace plan. Is there a difference between that plan and the official plan of the PLO leadership?

[al-Husayni] I don't think so.

[HADASHOT] You know that Major General Mordekhay was appointed in place of Maj Gen Mitzna. Does that affect you?

[al-Husayni] We're waiting. We want to see how he'll act. I know that it's neither Mitzna nor Mordekhay who acts, but rather the conquest.

[HADASHOT] How do you relate to the intention to use a firmer hand against the intifadah, a propos the appointment of Mordekhay?

[al-Husayni] Just as I see you in front of me, I know that it will fail. They will not repress the intifadah, and the Israeli authorities will have to talk with the Palestinian people.

[HADASHOT] Could a firm hand bring firearms into the rebellion?

[al-Husayni] We know that the measures that we take will bring for us the solution that we desire.

[HADASHOT] Would you like to say a few words about the murder in Ari'el?

[al-Husayni] I don't know the details. Sometimes we hear about Palestinians who are killed, today we hear also about others. I can say that any drop of blood shed is too bad.

[HADASHOT] What will happen in the coming months?

[al-Husayni] It will be very hard up to the end of the year. The intifadah will not be broken, and the Israeli administration will have to decide what path it wants to take—a path of war that will end in a peaceful solution, or a path of war that will end in destruction.

[HADASHOT] What do you mean by "up to the end of the year?"

[al-Husayni] I think that the people of Israel are humane enough not to let these things continue more than another 6 months.

Age, Balance of Power Among Major Party Leaders Examined

*44230101 Tel Aviv HA'ARETZ in Hebrew
12 May 89 p 3B*

[Article by Bo'az Shapira: "The Race for the Succession"]

[Text] Historical confrontations between liberalism and communism, hawks and doves, confrontation and compromise are not infrequently decided by the age of the leaders involved. The removal or departure for reasons of age of the preacher of a social doctrine who knew how to inflame the masses has at times been the principal reason for the dismantlement of his entire theory and has paved the way for the success of his rivals. It is possible to vanquish communism, it is possible to repulse nationalism; but it is impossible to stand up to age.

Advanced age, which in the past has been considered an asset in a leader, is today a daunting factor that encumbers a politician. In his early 70's, David Ben-Gurion considered it proper to stipulate that he would retire in 1963 (at age 77) and did so. Menahem Begin was in the habit of saying that he would retire at 70, and he stood by his word. The vigor of Ben-Gurion, of Begin and also of Golda Me'ir (who retired at 76) was not at its best at the end of their incumbency. Levi Eshqol died in office as prime minister at the age of 74. Fate has therefore been good to leaders who rose to key leadership positions in the government and the state while still young. Prolonged incumbency while yet vigorous makes it possible to leave a mark. Despite this, however, it is precisely those prime ministers who assumed office while still relatively young—Rabin at 52, Sharet at 59, and Peres at 61—that served for only 2 or 3 years.

Prime Minister Yitzhaq Shamir is in the same category as Eshqol and Golda Me'ir. These were personalities who worked closely with an eminent leader, at times

even identified as his intimates, remaining in close proximity to him without urging him to retire. Accordingly, they began their tenure at a late age but with greater power. Like Eshqol, Shamir became prime minister at 68. Golda Me'ir was first appointed prime minister at the most advanced age: 71.

Although he came late to office, Shamir has the prospect of a significant degree of good health (despite the fact that he was hospitalized last week for tests). While he is among the old men of politics today and the age gap between him and the oldest of the ministers is 7 years, it is likely that at the next elections he will also stand at the head of Likud. He will then be 77. The most advanced age reached by a prime minister in Israel was that of Ben-Gurion; when he resigned he was 76 and 8 months. Despite Shamir's sturdiness, such an advanced age cannot but leave an impression in the political arena. In coming years, tension within Likud will rise on the way to the appointment of a successor.

At the head of Likud stands a 74-year-old, and there the winds are calm. In the Labor party, however, it seems that everyone is threatening the incumbency of the 66-year-old Shim'on Peres. In terms of political time frames, the age gap between Peres and Shamir is two more election campaigns. Peres will reach Shamir's present age only after two election campaigns and one more year, that is to say in 1997. Many in the Labor party now wish him long life, but not long tenure.

Unlike the situation with respect to the Likud leader, the list of rivals to Labor leader Peres within his party has lengthened over the years. The twosome of Peres (66) and Rabin (67) have accumulated 15 years of rivalry since their struggle at the center of the party in 1974, when they were both in their early 50's. Their associates at that time, both those such as Sapir and Alon who were older than they and have died in the meantime, and (long may they live) Abba Eban (today 74), Hayim Tzadok (76), and Yosef Almogi (79), were then considered real candidates—but for the relatively young (those in their 50's) there was at that time some pleasure in the party. Five years ago, Yitzhaq Navon (then 63) completed his term as president and was a threat to take over the leadership of the party from Peres, 2 years his junior. In the end, he abandoned the race. The one-time young men of Labor have in the meantime matured and are today no longer in their early 50's. Mordekhay Gur (59), Yisra'el Qeysar (58), Moshe Shahal (55), and Gad Ya'aqobi (54) know that if Peres gets through the stormy 3 and 1/2 years before the elections, they will not be able to lead the party before the election to be held in 7 and 1/2 years. And the years press on.

In the Alignment, the future heirs are pressing for change because they believe that Peres is unable to lead their party to victory and that any delay would be harmful. In Likud, the opinion is that they will win the prime ministership even at the next election. In the view of the senior Likud minister, Moshe Arens, it is preferable in certain respects for Shamir, whose popularity is rising, to

lead the Likud at the next election. With a powerful confrontation on the succession within the movement on the eve of the election thus prevented, Arens hopes that Shamir will deliver the appointment to him in another 4 or 5 years at a time secretly chosen by them with the support of a party congress abruptly convened to choose or confirm the appointment of a successor.

In addition to Sharon (61) and perhaps also Moda'i (63), who are hoping for Arens to blunder or fade, because his incumbency following Shamir would destroy their prospects, waiting with a little more patience are David Levi (52) and Moshe Nisim (54). Their only fear is the group of younger men, all aged between 40 and 46, who have already blended well into the Likud leadership: Moshe Qatzav, Dan Meridor, Roni Milo, Ehud Olmert, Binyamin Ze'ev Begin, Binyamin Netanyahu, and 'Uzi Landau. In a few years, some of them will be mentioned as candidates for the Likud leadership.

It seems that Peres' contemporaries—Navon (68), Hillel (66), Bar-Lev and Weizmann (65), and even Rabin (67)—no longer have any hope of the prime ministership, and it is doubtful that they will campaign for the appointment. If any of them was to seek the appointment, he would have to enter the struggle right now.

The age gap between the leader and any designated or aspiring successor in both major parties is considerable. Any successor is at least 7 years younger than the incumbent leader. Although in both cases the leaders are interested in remaining in office even after 1992, a gap of 7 or more years somewhat weakens the power of the confrontation. The struggle for the party appointment for the 1992 elections is not seen in terms of a last opportunity for the new candidates. The designated successor will still be of a reasonable age (that is to say one that is possible though not always desirable) also for the 1996 elections. It is precisely for the incumbent leader—Shamir or Peres—that loss of the appointment for 1992 would be a mordant defeat and a painful end-of-career rejection. The battle in the Labor movement is therefore at its height.

Gur, Shahal and Ya'aqobi represent a major threat to each other on the way to the desired position, but they have yet to enter the struggle against each other. Avraham Katz-'Oz (55), Ya'aqov Tzur and 'Uzi Bar'am (52), and Rafi Edri (50) are not in the race, while Yosi Beilin (41) and Hayim Ramon (39) are too young. The greatest difficulty, shared by all contestants, is Shim'on Peres. Their only success thus far has been to undermine his position. Peres, who did not succeed at the last elections in winning the prime ministership and presently serves as something between a senior minister and the leader of the opposition within the government, has come down from the leadership position to the status of one more contestant within the movement. It is recognized that Peres fears his rivals and does not lead the party as he would like. From the list of ministers in the

present government, he was able to remove only Shosha Arbeli-Almozino. He has not dared to give effect to his plan to remove Mordekhay Gur.

Arens-Sharon-Levi also represent a threat to each other. Shamir, on the other hand, while serving as prime minister, has maintained his leadership status and, in the Likud, almost no one criticizes the party chief, and certainly not one who serves as prime minister. For now, the name of the game in Likud is the status quo. Nevertheless, Shamir's continued incumbency can be considered a major difficulty only by Sharon. For Arens, Shamir is not a difficulty but an asset, since each is a confidant of the other.

As against the situation of Shamir, who has fixed on his successor, even if not officially, that in the Labor party is open. The name of the game is: competition now. Gur,

Shahal, and Ya'aqobi have entered the fray. The ultimate goal is to succeed Peres, but this is not necessarily a first objective. A loss to Peres, even a defeat at the congress anticipated next year, would not be considered a debacle. Of the three, the one who makes most headway will, even if he loses to Peres, be considered for all appearances the designated successor when the time comes. Thus, for example, Dayan's repulse by Golda in 1969 assured him of the number-two position in her cabinet. Peres's loss to Rabin in 1974 gave him the important defense portfolio. Levi's loss to Shamir in 1983 enhanced his standing as a leader in the race for the succession.

In the 1992 elections, Shamir and Peres are likely to measure off for a third time; but the spotlight will also be turned on the designated successor at that time.

LABOR	To Age 46	50-54	55-59	60-64	65-69	Over 70
	Hayim Ramon 39	'Uzi Bar'am 52	Moshe Shahal 55		Hayim Bar-Lev 65	
	Yosi Beilin 41	Mikha Harish 53	Yisra'el Qeysar 58		'Ezer Weizmann 65	
		Gad Ya'aqobi 54	Mordekhay Gur 59		Shim'on Peres 66	
LIKUD	Binyamin Netanyahu 40	David Levi 52		Ari'el Sharon 61		Yitzhaq Shamir 74
	Roni Milo 40	Moshe Nisim 54		Yitzhaq Moda'i 63		
	Dan Meridor 42			Moshe Arens 64		
	Moshe Qatzav 44					
	Ehud Olmert 44					
	Binyamin Ze'ev					
	Begin 46					
	'Uzi Landau 46					

Professor Imports Japanese Management Techniques

44230149 Tel Aviv MA'ARIV Business Supp.
in Hebrew 20 Jun 89 p 19

[Article by Avi Dar: "Just in Time"]

[Text] The terrifying efficiency of Far Eastern industry demands a reply in the Western countries, and both American and Israeli industry were forced to go over to innovative management methods, which result in empty warehouses; zero cost of financing inventories; compliance with delivery schedules; in-process quality control; production lines without bottlenecks; and—the main thing—a positive balance sheet.

Dr Bo'az Ronen, a lecturer in production management and information systems at the Tel Aviv University School of Business Administration, and Aharon Lutsky, the manager of the Plastro-G'vat factory, which manufactures irrigation systems in Kibbutz G'vat, are two contrasts in Israeli industry who teamed up and through new approaches to management achieved a significant

improvement in the factory's profitability and a significant change in its annual balance sheet. All this was achieved through "re-education" and joint development of methods of thinking among the workers and the managers of the factory.

Outmoded Methods

The 120 workers in the factory are gathered and told that all their methods of calculation, cost accounting, and production quality control are outmoded, and that continued compliance with them is liable to result in additional losses. Sounds simple, doesn't it? Yet this is a lengthy process with its own principles.

Bo'az Ronen is an academic with a very practical background in industry. He regards himself as a guide and advisor, who counsels the team of workers on the general processes and new work methods while the actual implementation is done by the workers themselves in the factory, through discussions and internal study groups which turn the principles into new and more efficient work procedures.

"The meetings were generally held on Fridays, when I teach the principles to the teams and assign them 'homework' for implementing the things during the week," says Bo'az Ronen. The industrial world is now going through a revolution called "Just in Time," with the principle of producing only for orders of goods sold. The machines work only when necessary, and not to stock up inventory, and work only on what is required.

Lutsky says: "We've gone through a basic change in the plant in the approach to calculations, and today we establish the sales price on an all-plant basis and not only per the direct costs of producing an individual item. Today the factory floor is nearly empty of work-in-process, there is almost no finished goods inventory, only 50 percent of the piping sales are supplied from inventory, and the rest goes directly from the production line to the customers, and on time."

According to the classical work methods, the "40-20-40" phenomenon is accepted—that is, for an order of 100 items, the factory produces 40 before the delivery date and 20 exactly on time, while due to various ("unforeseeable") delays, 40 pieces are supplied late to the customer. This seems strange? Try to remember when was the last time a factory succeeded in filling a customer's order exactly on time and in full. The method at Plastro-G'vat is simple: they work on small production lots according to orders, they prepare excess capacity at the critical points ("bottlenecks") and in that way try to meet the goal that is one of the most important in industry—to deliver the product to the customer exactly when the salesperson promised, and to supply it not from inventory but directly from the production line.

At Plastro-G'vat we diagnosed about a year ago several vulnerable points, which the plant directors believed did not allow the achievement of the forecast profitability: despite high inventory levels, there were still complaints of late deliveries. Increasing the inventory didn't help—the delays continued and hurt the company's reputation, while interest payments ate up profits.

In his book "The Goal" Elihu Goldart describes the process of internalizing the "Just in Time" revolution. It is a readable book, which sold about a quarter of a million copies in the United States and was recently published also in Israel. Goldart, an Israeli who lives in the United States, tries to teach the Americans how to beat Japanese industry through the use of advanced methods of business administration—management by constraints. The book describes the difficulties of introducing the new methods into an inflexible management system, a conservative system, which is based on American managers who are judged closely all the time according to conservative measures of profitability, and who are liable to pay with their heads for any deviation from the operational standards that were given to them at the beginning of the year.

In the opinion of Bo'az Ronen, Israeli industry is more open to changes and the Israeli worker is more willing than his American counterpart to contribute to the

improvement of profitability. He thinks that the Israeli manager, once he has been convinced by the method, "will do what he wants to, without worrying—as does his American counterpart—about the reactions of the board of directors." The Israeli worker's advantage is the lack of formality, which greatly facilitates the development of products, but impairs production efficiency. At the same time that the transition is made to the "Just in Time" method, the workers can be educated to work in a more orderly and focused manner. When the whole process on the production line is planned in advance, you don't see the work manager taking the initiative and producing another 20 castings "just because the machine is already set up and it doesn't have anything to do anyway."

"Here It Won't Work"

"Here it won't work," they said to Ronen, when he started to introduce the "Japanese production methods" to the kibbutzniks in G'vat. Nevertheless, in his opinion there is no alternative—now, when inflation has decreased and the managers don't have to spend most of their time on calculating interest and financing, the time has come to focus on profitable methods of production.

In Plastro-G'vat, they have shifted to production in smaller lots, and the set-up time for the etching and injection systems has become critical. They have succeeded in reducing set-up time by one-third—all by improved work procedures, parallel work, and the solution of delays at "bottlenecks" that were identified. After a year and a half of re-organization, Lutsky sums up 1988 as a successful year: inventory shrank by 1 million shekels, sales increased, output rose by 30 percent (to 25 million shekels), hundreds of thousands of shekels are saved through the recycling of raw materials, the quality of the finished product improved due to a reduction in the percentage of quality control rejects, and there has been an improvement in the company's reputation as a manufacturer that meets delivery dates.

The greatest concern of an advisor such as Dr Ronen is the post-success stage, when the managers try to continue with the impetus of increasing efficiency and savings, and begin to cut back the excess production capacity. "Excess production capacity has ceased being a curse word in industry, and is now called 'protective production capacity,' which serves to reduce supply time. There is a dangerous tendency in competitive industry to lay off workers and sell apparently excess machinery, but they actually provide a factory with a quick response capability that constitutes an important competitive factor in the industry of the 80's," he says. But one also has to watch out for surpluses, in his opinion. In every factory such as this one, an excess capacity of 20 percent to 30 percent should be maintained, and anything beyond that is truly unnecessary surplus.

The School of Business Administration is aware of the change required in industry, and the dean, Professor Neumann, recently announced a new field of specialization, Technology Management and Systems Operation, which is popular among the students. "This is actually a

specialization in production management, plus," Dr Ronen describes this field. There is another course, novel and one of a kind in the whole world: Prof Niv Ahituv's "Information Systems in Production Management." In the framework of LAHAV [expansion unknown] courses for managers, short courses are given on quality management, pricing by constraints, and additional industry-related courses in the vein of "Just in Time."

The increasing of industrial efficiency is similar to a diet, says Ronen, and, as in life, managers who want a healthy diet in their plants must obtain professional guidance, which will enable them to realize accomplishments and make the transition to profitable production. Not guru-style guidance according to Dr Goldart's book "The Goal," but an advisor who is well-acquainted with the mistakes made every morning by industrialists the world over. According to Dr Ronen, 70 percent of the problems are common to all industry, whether you are an automobile manufacturer in Detroit or a manufacturer of irrigation systems in Kibbutz G'vat. The conclusion: it can be done in Israel, as well.

Physician Discusses Moscow Reception

44230146b Tel Aviv MA'ARIV in Hebrew 23 Jun p 7

[Article by Aviva Lori]

[Text] A small cardboard box full of candy stands on the desk of Colonel Dr Yehoshua Shemer. "Soviet candy," Dr Shemer announces proudly. It is a souvenir. The candy looks all right, does not show any external signs of ideological convolutions or of the changes that are currently affecting the communist world.

Last Friday Colonel Shemer returned from Moscow. By now Moscow has become a memory to him. He thumbs through small calling cards to remind himself of foreign-sounding Russian names, pictures, and stories.

Dr Shemer, deputy commanding officer of the Medical Corps, went to Moscow at the head of a delegation of IDF [Israel Defense Forces] physicians which was to assist the Russians in treating the victims of the train disaster in the Ural Mountains. The delegation was made up of four physicians and one army nurse: Major Dr Patrick Ben-Meir, a plastic surgeon; Major Dr Yisra'el Levin, surgeon and interpreter; Major Dr Avshalom Shostak, nephrologist; Lieutenant Colonel Vicky Oz, head nurse of the Medical Corps, and Dr Shemer, head of the delegation, internist.

Israeli aid delegations to disaster sites have become a regular phenomenon in the world. Dr Shemer was on the medical delegation that went to help Cambodian refugees. Dr Levin went with a delegation to Armenia this year. Nevertheless, each trip brings fresh excitement. The Israeli delegation in the Red Square: three uniformed Israelis smiling for the camera under a huge

portrait of Lenin, and never mind the fact that Lenin will dwarf anyone who has his picture taken under his portrait. It does not matter.

Dr Shemer: "After the tragedy that happened in the Urals, the Israeli government offered help and the Russians enthusiastically accepted. We had less than 12 hours in which to put together a team and equipment."

[MA'ARIV] Why were the physicians military rather than civilian?

[Shemer] "The Medical Corps is built for rapid intervention. We combine civilian medicine with emergency medicine. In other words, we are ready to go into action in cases of mass injury, and consequently it was natural that we should be called upon in this case."

"We knew that we would have to deal with burn victims suffering from severe infection and kidney insufficiency, which is the usual side effect in such cases. We chose an appropriate medical team, capable of dealing with all related problems."

The team loaded 3 tons of equipment and went off. The delegation landed in Larnaca, Cyprus, and continued from there to Moscow on a Soviet airline carrier.

In Moscow they learned that they would not have to fly to the Urals because the serious cases were already at a medical center in Moscow.

[MA'ARIV] What sort of welcome did you get?

[Shemer] "We were met at the airport by representatives of the medical center at which we were to work, the head of our consular representation, Arye Levin, and members of the Soviet Health Ministry. The reception was warm, but we were keen on going to the hospital the very same day to see the patients."

"Most of them were in very serious condition, with severe burns of 50-90 percent. They presented a frightful sight. We saw 20 cases and operations were already planned for the next morning. At the end of the tour we asked to have the equipment unloaded. When it became clear to us that there was no one there to do the job, we rolled up our sleeves and began to unload it ourselves. That immediately bridged whatever distance there was between us and our hosts. The Russians realized that we were serious and that we had come to work, not to see the sights."

[MA'ARIV] Why did you have to bring equipment with you? Was there no appropriate equipment in Russia?

[Shemer] "What we brought along was special supplies. I am referring to synthetic skin, antibiotic creams for treating infections, other antibiotics, and large quantities of fluids. We work as an independent team, including equipment, because there is normally no time to find out what they have and what they don't. The novelty among those supplies was the synthetic skin, which is altogether an Israeli development."

"The next day we operated on four serious cases. Dr Patrick Ben-Me'ir, the plastic surgeon, headed the surgical team. A Soviet team attended the operations for the purpose of learning our methods as they were performed. They gradually began participating, and by the end of the day they performed the last operation themselves, while we only looked on."

[MA'ARIV] What language did you speak?

[Shemer] "We communicated only through our interpreter, Dr Levin, who is originally from Russia. It was very simple. There was instant chemistry between us and the Russian physicians. At the review talk we had at the end with Soviet Deputy Health Minister Viktor Georgievich Panov, Prof Tatiana Sokolova, head of the department in which we worked, said she had felt as if we had been working together for years and that we had formed an excellent relationship."

News travels fast in Moscow. The Israeli delegation enjoyed spring weather. In short-sleeved IDF uniforms they toured the Kremlin, the Soviet Health Ministry, and were asked to extend their stay and see additional patients.

"We saw some 40 patients and performed 12 operations. When we were all set to leave, we received an official invitation to go to the hospital where children who had survived the disaster were hospitalized. We were received enthusiastically there, and were accompanied by senior physicians. The next day we were once again invited for consultation at another medical center.

"We actually worked at three medical centers and we advised a medical team at the trauma center of the Soviet Health Ministry. At the conclusion of our work we were invited by the Soviet deputy health minister for a 1 and ½ hour summary talk. Our visit was mentioned in the media and we had the feeling that the ties we formed would play a role in the overall relations that are being forged between us and the Soviets."

[MA'ARIV] Was your contribution significant from viewpoints other than the humanitarian aspect?

[Shemer] "In cases of mass injury, the medical system cannot cope with the number of victims. There is a shortage of medical teams. Consequently, every help is important in such cases. Russian medicine has a long and proud tradition, but they have their own techniques. I do not doubt that the lives of the patients we treated were saved thanks to that. The experience we brought, which we gained in our wars, and the special equipment we left there was of great help."

[MA'ARIV] Did you meet any Jews?

[Shemer] "On the Sabbath we went to the central Synagogue in Moscow, which was filled to capacity. Other than that we had very little free time. We met Jewish physicians at the hospitals at which we worked. Some walked by us, said Shalom rather openly, and walked on."

[MA'ARIV] Did you form ties to Russians?

[Shemer] "It was sad when we left. There was a mutual feeling of a sad parting. We had become close as people."

[MA'ARIV] How did you personally feel as an Israeli in Moscow?

[Shemer] "We wore uniforms throughout our stay there. There was a wonderful feeling of elation in belonging to a team that did humanitarian work and helped treat the injured of a nation which until very recently was completely alien to us. I had a feeling that a few Russian Jews walked taller during that time."

[Box, p 7] Synthetic Skin: An Israeli Invention

Synthetic skin is an Israeli invention known as "Omiderm," manufactured at the Weitzmann Center for High Tech Industries in Rehovot. The skin is transparent, looks like a plastic bag, and is used as a synthetic covering on burned areas.

The synthetic skin functions like natural skin. It breathes like skin, it protects injured natural skin from infection, and it preserves fluids. Antibiotic creams put on it penetrate through to the wound, and its elasticity permits physiotherapeutic treatment of the skin.

This is not a process of implanting artificial skin, but a sort of sophisticated dressing. Dressing the injured area in this manner requires special skills.

When the natural skin underneath has healed, the synthetic skin is removed.

JORDAN

CBJ Governor on Exchange Rates, Debts

JN1408105589 Amman SAWT AL-SHA'B
in Arabic 14 Aug 89 pp 1, 13

[Text] Abu Dhabi—Dr Muhammad Sa'id al-Nabulsi, governor of the Central Bank of Jordan [CBJ], has praised Saudi Arabia's support for Jordan to overcome its economic and financial difficulties, referring to the Saudi role in reinforcing the exchange rate of the Jordanian dinar. He said: The Saudi Government has demonstrated a complete understanding of Jordan's conditions and tasks in the coming years whether in terms of paying its foreign debts or confronting the hard current economic circumstances which witnessed instability in the Jordanian dinar exchange rates.

In an interview with the Saudi paper AL-SHARQ AL-AWSAT, al-Nabulsi said that the Saudi officials headed by King Fahd Ibn-'Abd-al-'Aziz, custodian of the two holy mosques, have displayed understanding of Jordan's current and future needs. Al-Nabulsi said that the Saudi officials have expressed support for the CBJ request to all Arab Gulf states to have Gulf central banks deposit sums of money in the CBJ.

On the effect of the Saudi stand on his country, the CBJ governor said that the Saudi stand as well as the economic measures which have been taken by the CBJ to limit the scale of dealing in the official rate, to expand dealings in the floating exchange rate, and to make the CBJ intervene with a relative power to fund imports and other requirements have improved the position and the exchange rate of the Jordanian dinar.

In reply to a question on whether the CBJ will continue to adopt the current two-rate system, Dr al-Nabulsi said: In principle, Jordan does not believe in the two-rate system. We are only following this system for some time which we hope will not be long. He added: The implementation of this system was dictated by certain exceptional circumstances which are being experienced by Jordan. However, we will return to the single-rate system at the earliest possible opportunity after ensuring the stability of the monetary situation, consolidating the improvement in the exchange rate of the dinar, and confirming the results of this improvement.

Al-Nabulsi said: Our immediate objective now is to restore confidence in the Jordanian currency and to resume the influx of foreign currency, especially the remittances of Jordanian expatriates, to a normal level.

In reply to a question on whether there are reservations on the part of the International Monetary Funds [IMF] toward applying the two-rate system to the exchange rate of the dinar, Dr al-Nabulsi said: As we know, the IMF does not believe in the multiplicity of the exchange rates. However, the IMF has not expressed any reservations over the measures which Jordan has taken in this respect because it understands the motives behind such measures and also understands Jordan's desire to return to a unified exchange rate system for the dinar.

On the Jordanian Government's tendency to merge certain local banks in Jordan, the CBJ governor said: The merger of Petra and the Jordan Gulf Banks was a very necessary and important step to rectify several anomalous aspects in the Jordanian banking system, to consolidate this system through boosting the capital accounts, and thus secure the depositors' rights in line with the CBJ's law and control tasks.

Dr al-Nabulsi described the merger as an isolated case, saying that the government does not intend to oblige other local banks to carry out similar mergers.

Still, Dr al-Nabulsi explained that the CBJ is aware of the duplication drawbacks in the Jordanian banking system and hopes that further mergers will take place between Jordanian banks voluntarily rather than by mandate.

LEBANON

Positions, Actions of Bank of Lebanon Discussed

44040487 Beirut AL-NAHAR in Arabic
26 Jun 89 pp 5, 6

[Interview with Dr Edmund Na'im by Khalid Qassar; place and date not given]

[Text] The Governor of the Bank of Lebanon, Dr Edmund Na'im, disclosed that "two or three banks" are suffering from "some difficulty and distress, but it is clearly evident to us that we can help those banks, not only to enable them to continue operating, but also to prevent the occurrence of the stressful situation in which they are stumbling in the bank sector."

He stated that the "floating of Bank al-Mashraq requires enormous sums of liquidity exceeding \$100 million, of which the Bank of Lebanon has so far paid out \$44 million, although it is heretical and naive to say that the Bank of Lebanon should float every bank which falls into the abyss, fails or ceases payment, because such action, while it would perhaps float one or several banks, would also bankrupt the Bank of Lebanon."

He noted that it is difficult for the Bank Control Committee, "given the present circumstances and bank secrecy, to examine several cases, which officials are expert in hiding."

Regarding bank mergers, he emphasized that "it is not possible to be content with voluntary mergers; rather, compulsory mergers must be employed in the long run." Such mergers would be decided by a competent organization, which could be the Supreme Banking Organization or the Central Council. Also, after calm returns, the Money and Credit Law will have to be amended "radically."

He was of the opinion that the Lebanese patient "is in a lamentable state" but "with a few concessions, we will purge society of the means of destruction, and coax it back to life and florescence."

He acknowledged that "at first blush, we might be viewed as having exceeded our mandates in the current circumstances. Although as a matter of fact, if we wished to delve deeply, we would inevitably deem that we have exercised the mandates conferred on us according to the intent of the law."

Regarding the problem of establishing credit lines, he indicated that the Bank of Lebanon, is between "the anvil and the hammer," i.e., between supplying citizens' needs and defending the Lebanese pound. He added that "with a bit of vigilance and some maneuvering, we can supply these needs with as little waste as possible."

Regarding his experiment vis-a-vis dealing with "two governments," he emphasized that he has succeeded in applying the special principle that he established on the eve of presidential elections. This principle initially

encountered "eastern" opposition, but "after a period of time, we no longer encountered any opposition." After the French ambassador presented two copies of his credentials, "I can say that this principle has become essential, as long as the election of a president of the republic or the appointment of a single government have not occurred."

Dr Na'im spoke to AL-NAHAR in his office on the sixth floor of the building of "this pillar of pillars called the Bank of Lebanon," behind a large bulwark erected in the middle of the office by the official responsible for the governor's security and safety, as protection against artillery bombs and shrapnel. If it indicates something, this bulwark points to the governor's round-the-clock working conditions and his determination to stay at his post, guarding public funds and mediating between segments of the torn country.

Despite the many safe rooms which could be made available to the "old man" or "papa" as several employees affectionately call him, the governor is determined to remain where he is, braving "another year here." Dr Na'im speaks with diplomatic candor, maintaining his position and striving for balance. He chooses his words carefully and responds in a strong, confident voice, sometimes becoming angry, but always depending on "my juristic quiver" of which he boasts.

The Doctor and the Patient

[AL-NAHAR] The critical circumstances through which Lebanon has passed in recent years and the role which you have assumed as the governor of the Bank of Lebanon create the impression that you are a physician treating a patient who has defied all medical skill.

What is the current condition of the patient? How serious is it? To what extent, and until when, will the physician remain able to treat the patient?

[Na'im] In general the patient is healthy and not afflicted by incurable diseases. However, its health is fragile, and it is necessary to give it a restorative tonic and to purge the atmosphere in which it lives, which means assuring the general safety of citizens and their property, thereby restoring the patient's health and vitality.

[AL-NAHAR] At the same time it is being eulogized?

[Na'im] By the patient, I mean the bank sector, not all of Lebanese society. The bank sector in Lebanese society is sound but weak.

[AL-NAHAR] What if we consider the patient as being the country?

[Na'im] In its current situation, the country is doubtlessly in a lamentable state. An effective cure must be based on the goal which we desire for the country. In other words, the philosophic structure on which we desire to base the state must be elucidated. If the philosophical structure is life, comfort and happiness, we must first find the means to guarantee the safeguarding of life and the elimination of all means of destruction. Of

course, it will be said that means of destruction are inevitable in the current circumstances. In my opinion, this is not the case. With a little skill and a few concessions, we can doubtlessly purge society of the means of destruction and restore to it life and florescence.

[AL-NAHAR] Is a remedy available, and is it effective?

[Na'im] There is no doubt that a number of usable remedies exist. The first remedy is diplomatic, which is the word of the doctor. The most useful means in the crisis which we are experiencing is the purification of ideas and hearts and the use of the doctor's word in remedying conditions. I remain convinced that miracles can be wrought with the word of the doctor and with diplomacy.

[AL-NAHAR] You have applied yourself to the governorship of the Bank of Lebanon in an unprecedented manner, so that it has seemed as if you were more than a governor, or as if you were the governor of governors.

What in fact are your limits? Are the charges that you have exceeded your mandate correct?

[Na'im] At first blush, we might be viewed as having exceeded our mandates in the current circumstances. Although as a matter of fact, if we wished to delve deeply, we would inevitably deem that we have exercised the mandates given to us according to the intent of the law which was established by the Money and Credit Law or laws appended to this law. In the current circumstances, in which the Lebanese state is existing on credits advanced to it by the Bank of Lebanon, the legal provisions in effect state that the bank has a virtually unlimited right to approve credit, because the bank must hold discussions with state political officials regarding the benefit derived by the state from the sums which it requests. When the Bank of Lebanon discusses this matter, it must doubtlessly make clear how the state will spend the sums which the bank loans to it or how the state spent sums loaned to it by the bank in the past. If it becomes clear to the bank that the sums which it loaned in the past were wasted, the Bank of Lebanon would consequently exercise its approval authority by refraining from further lending to the state. At the very least, it would impose conditions on officials according to which the bank would closely monitor the implementation of loans which it provides to the state in order to verify the effectuation of the purpose for which a loan is given.

[AL-NAHAR] What are the limits of your mandates?

[Na'im] Regarding expenditures, which include very, very broad areas, there are no legal or fundamental limits, but there are practical, realistic limits. Public opinion can be aroused against the Bank of Lebanon. In most cases, officials can arouse public opinion when requested credits pertain to the public's daily life. In such instances, our fear is that officials will rely on phenomenon which conceal facts at variance with such phenomenon to arouse public opinion against us. I recently indicated as much in several of my statements to

the effect that some officials, in addressing public opinion, maintain that the Bank of Lebanon refrains from establishing credit lines. In reality, the Bank of Lebanon refrained from establishing credit lines because the material which was imported with these credits was sold, and the costs of the sales were not repaid to the general treasury, which is entrusted to the Bank of Lebanon regarding the state's open account under the bank's administration.

[AL-NAHAR] Some reproach you for being guided by political considerations in the decisions which you adopt, while others link your decisions to your future aspirations. What is your response?

[Na'im] I have personally affirmed, and I reaffirm, that, in my position of responsibility as the governor of the Bank of Lebanon, I have in view only on the goal for which the Bank of Lebanon was founded, especially in the current circumstances being experienced by the country and the Lebanese. I do not at all seek political responsibility, or to be specific, the presidency of the republic. As far as I am concerned, the presidency of the republic is secondary to my current responsibilities as the governor of the Bank of Lebanon. The most significant indication of that is that I have not left the Bank of Lebanon for 2 years. Nor have I spoken with anyone or gone to the doorsteps of foreign countries to use them as a means to achieve the goal to which you referred. I seek only to precisely and effectively carry out the tasks entrusted to me as the governor of the Bank of Lebanon.

The "Two Governments" Experiment

[AL-NAHAR] About 10 months have transpired since the government split. How do you evaluate your experiment vis-a-vis dealing with "two governments?" To what extent do you consider such dealings to be sound realistically and legally despite their unprecedented double legitimization?

[Na'im] When we in the Bank of Lebanon sensed that the presidential elections might not take place as scheduled, I began to think of a useful solution for preserving what could be preserved of the Lebanese state. Relying on my juristic quiver, it seemed possible to view each of the two prominent Lebanese groups as having the right to appoint men to govern them and to administer their financial, economic, and political affairs. I stated so in a study which I explained and published in the newspapers and presented to my colleagues on the Central Council, who adopted it. By my mere adoption of this concept of legitimacy before the presidential elections, the people in Lebanon began to circulate it, and I did not encounter opposition from anyone at the time. When President Amin al-Jumayyil's term ended, and elections for his successor were not held, we began to apply the principle which we presented in the study. We encountered some opposition from the eastern government when we first applied this principle. This opposition then ceased, and we continued to apply this principle regarding both governments, safeguarding the funds of each of the two areas, based on the geographical areas administered by

the two governments and the number of residents in each of them. After a while, we no longer encountered any opposition or hesitation regarding acceptance of the application of this principle. I can currently say, especially after the French ambassador presented a copy of his credentials to each of the two governments, that this principle has become essential so long as a president of the republic has not been elected or a single government has not been appointed to administer the affairs of the country.

[AL-NAHAR] Has the experiment therefore succeeded?

[Na'im] I believe that this principle has succeeded and has preserved what could be preserved of the Lebanese state and Lebanese institutions, so that the core of what is preserved can be the basis for the future.

[Na'im] In this period, have you been compelled to transfer banknotes to the eastern area by way of England as you said last March?

[Na'im] The Juniyah branch has so far not needed banknotes. In any case, in the current circumstances, we cannot supply banknotes to either the main center or the branches of this main center in the western area.

[AL-NAHAR] Are you currently providing funds to the eastern [area]?

[Na'im] Yes, without a doubt.

[AL-NAHAR] President Salim al-Huss previously requested that you stop several allocations for the army. What happened?

[Na'im] Allocations for armaments have ceased. We supply funds for salaries and for the daily operation of equipment in each of the two groups—the two parts of the one army.

[AL-NAHAR] You have noted a need for depositing public funds in the Bank of Lebanon and not depositing them in private banks contrary to the law. What happened?

[Na'im] Despite what was reported to me, a large portion of such funds are deposited in private banks with the authorization of public officials.

[AL-NAHAR] These funds are no longer [deposited in the Bank of Lebanon]

[Na'im] No. No longer.

Credits

[AL-NAHAR] Can you shed light on the Bank of Lebanon's policy regarding the establishing of credit lines? On the one hand, the bank refrains from establishing credit lines for the importation of fuel, especially gasoline, as long as the pertinent agencies have not submitted to it the statements which it is requesting, while the deficit in the independent fuel fund is accumulating.

On the other hand, the bank agrees to establish credit lines for the importation of wheat, flour and household gas.

In both cases, there are consecutively occurring crises which affect none other than the regular citizen, while the Bank of Lebanon appears as if it is supplying the black market with its funds, which are going to mafias, middlemen and merchants.

[Na'im] Regarding this situation, the Bank of Lebanon is caught between the anvil and the hammer, i.e., between supplying the needs of the Lebanese in general on one hand, and preserving funds and consequently defending the power of the Lebanese pound on the other. We must compare between the two needs to determine which one is more deserving. In my opinion, we must give precedence to supplying the basic needs of citizens. However, with a bit of vigilance and some maneuvering, we can supply these needs with as little waste as possible. We can threaten to stop establishing credit lines and can request documents. In this way, we can arouse public opinion against those who squander funds and prevent them from arousing public opinion against us. Thus, we will be able to supply the needs of citizens by establishing credit lines, but with a minimum of waste if you will.

[AL-NAHAR] The Central Council decided, and underscored its decision, not to establish credit lines for the import of gasoline. Will you stand by your decision or retreat in the face of pressure?

[Na'im] We are prepared to refrain from establishing credit lines unless at least all of the sums with which we supply the credit lines are repaid to the state treasury. At the same time, if the wheels of cars are stopped, if homes stop using household gas, if public opinion is aroused against the Bank of Lebanon, if we see that the Lebanese masses are suffering, we might see ourselves compelled to establish several lines of credit and attempt to convince officials to revert to importing necessities, without resorting to the credit lines which they are seeking to establish through the Bank of Lebanon.

[AL-NAHAR] Why do you not announce the agencies which do not repay their debts to the state treasury?

[Na'im] We in the Bank of Lebanon do not have the authority to impound sums paid by clients of the fuel fund and Finance Ministry in general in exchange for fuel, flour or wheat.

The public administrations must be the ones to prepare such statements and ascertain which agencies have not repaid their debts and the reasons for their nonpayment. This is not the duty of the Bank of Lebanon. Basically, the Bank of Lebanon's duty is limited to establishing or refusing to establish credit lines and loaning or refusing to loan to the state, whereas, the other operations are the duty of administrative and political officials. We are asking the public administrations to elucidate for us, with the documents available to them, all accounts pertaining to the fuel fund. They have not yet done so.

[AL-NAHAR] Does not the continued deficit in the fuel fund affect the rate of the Lebanese pound?

[Na'im] It doubtlessly affects the rate of the Lebanese pound. However, can the mere influence of the deficit on the rate of the Lebanese pound enjoin me as governor of the Bank of Lebanon to establish credit lines to assist the Lebanese in their time of hardship and in supplying them with household gas and, at times, gasoline? Can it be said that defending the Lebanese pound compels me to refrain from establishing a credit line? Let me emphasize that I am attempting, as I stated, through the various means available to me, to compel officials not to waste and to furnish the documents which demonstrate how they have used material imported by means of the credit lines which I establish for them.

[AL-NAHAR] It is frequently said that if the bread crisis continues, the Central Council will refrain from establishing credit lines for flour and wheat. Is this correct?

[Na'im] Could I possibly decisively respond by saying that even if the Lebanese were starving, I would not establish credit lines for the supply of flour and consequently bread?

Banks in Trouble

[AL-NAHAR] There has been increasing discussion lately of the conditions in the bank sector and the difficulties being faced by several banks or their outpacing [musharafah] of each other regarding stoppage of payment. What is the truth?

[Na'im] The truth is that the Bank al-Mashraq crisis, whose shocks we absorbed, indicated that the Lebanese banking sector could in one form or another be in a distressed state. We attempted to probe deeply and ascertain as much as possible the true meaning of the circumstances and conditions. It seemed to us that there are two or three banks experiencing some difficulty and distress. Nevertheless, it became patently clear to us that we can help these banks, not only to enable them to continue operating, but also to prevent the occurrence of the stressful situation in which they are stumbling in the bank sector and in Lebanese society in general.

[AL-NAHAR] What has the Bank of Lebanon done to avoid the worse and to protect the rights of legal claimants?

[Na'im] Regarding Bank al-Mashraq, the Bank of Lebanon has so far paid out close to \$44 million in Lebanese and foreign currency. We have pursued the following course: We paid depositors, who have no connection to the Bank al-Mashraq Tamraz group, the deposits in their accounts. As for those who belong to the aforementioned group, we stopped payment of what is owed to them unless they signed an agreement with the Bank of Lebanon. According to this, the Bank of Lebanon will provide them with all the funds they might need, and would accept as payment in full what accrues to it in the way of Bank al-Mashraq assets at a percentage to be decided in the future if Bank al-Mashraq is liquidated.

This is provided that they pay the balance due to the Bank of Lebanon from their net profits and private funds year after year. Thus, they will not have to bear an onerous burden, but will pay what is due to the Bank of Lebanon from profits which they reap year after year, regardless of how long the repayment period is.

[AL-NAHAR] Do these measures apply to other banks?

[Na'im] We will take these measures regarding any bank, which, God forbid, encounters difficulties. In this regard, it should be noted that we will not pay any sum owed to persons resident outside Lebanon, especially corporations resident outside Lebanon, such as the representative of [?B.P.P. Paris], or even branches subordinate to Bank al-Mashraq in some sister Arab countries.

Control Committee

[AL-NAHAR] You state that two or three banks are in trouble. Before that, there was a bitter experience with Bank al-Mashraq. Everyone knows that the Bank Control Committee bears a substantial responsibility in this regard, and that your mandate pursuant to the Money and Credit Law empowers you to take a position on them.

[Na'im] Given the present circumstances and bank secrecy, the Bank Control Committee cannot examine several caches [of funds], which officials are expert in hiding. It became clear that this matter occurs not only in Lebanon, but also in several foreign countries. You may have become aware recently of what happened regarding several banks operating on French territory.

[AL-NAHAR] Such as United Banking Corporation?

[Na'im] Without doubt. Only two members remain on the Bank Control Committee, whereas it is basically composed of five members. As you said, it falls within my bailiwick to raise the issue with governmental officials so that they can handle the matter carefully. But if I were raise the issue at present with officials of the two governments in both areas, do you believe that it would be possible to appoint a Bank Control Committee in the current circumstances or to add several persons to fill the vacant posts? This would be impossible at present. Therefore, we are cooperating with the remaining two members on the committee to help them carry out their duties to the fullest extent possible. We have achieved our objectives, albeit partially, in the sense that when we perceive a bank experiencing difficulty, we assign the control committee. When the control committee perceives that a bank is experiencing difficulty, it automatically undertakes a study of its circumstances. It then contacts us so that we can examine these circumstances together and take whatever measures are possible to help the bank.

[AL-NAHAR] Do your mandates not empower you to take measures regarding the control committee if you do not receive a response from governmental officials?

[Na'im] Regarding this subject, the Money and Credit Law states that in the event of the absence, not vacancy, of a position on the control committee, the Supreme Banking Organization can appoint members to take the place of the absent members—no more and no less.

Bank Mergers

[AL-NAHAR] What is your opinion regarding ideas being thrown out regarding bank mergers, either domestically or abroad?

[Na'im] I expressed my opinion more than once on this subject. Regarding mergers, I stated that it is not possible to be content with voluntary mergers; rather, compulsory mergers must be employed in the long run. That is to say that, when a competent organization, which could be the Supreme Banking Organization, ascertains that a bank should be eliminated and merged with another bank, or that a number of banks should be merged, it could bring the banks together to confer and attain the desired merger voluntarily. If, for some reason, the bank owners could not work out a merger, the merger would have to be effected compulsorily by the decision of a competent organization, which could be the Supreme Banking Organization or the Central Council. In any case, after calm is restored, the Money and Credit Law will have to be amended radically.

Bank al-Mashraq

[AL-NAHAR] What is Bank al-Mashraq's fate, floating or liquidation?

[Na'im] I told you, and I explained to officials, that the Bank of Lebanon paid out close to \$44 million for Bank al-Mashraq. The Bank of Lebanon decided not to repay debts owed to several institutions located outside Lebanon. Based on reports available to us, it is clear that the floating of Bank al-Mashraq requires the provision of large amounts of liquidity.

[Na'im] About \$100 million?

[Na'im] Aside from the deficit, according to my estimation, the figure exceeds \$100 million. The floating of Bank al-Mashraq will ultimately require, in addition to the \$44 million which the Bank of Lebanon has already paid out, the provision of the equivalent of \$60 million in currency at least. We have tasked several officials with contacting our Arab brothers who have shares in the [?Intera Company] to find out whether they would be interested in increasing the company's capital, so that Intera—in which the Bank of Lebanon has close to a 40 percent share—could intervene through its shareholders to float Bank al-Mashraq. However, we have so far been unable to convince our Arab brothers to increase the capital of the Intera Company. When some people say that Bank al-Mashraq's assets exceed its liabilities, they are completely ignorant of Bank al-Mashraq's situation. Even if they are correct in their appraisal, they are completely ignorant of the significance of the bank's difficulties, the provisions of Lebanese law regarding the liquidation of a bank in specific circumstances, and the

legal meaning of bankruptcy. A bank which stops payments is considered bankrupt. In other words, a bank lacking sufficient liquidity to repay its obligations is bankrupt. The law clearly stipulates that the governor of the Bank of Lebanon, when he observes that a bank has ceased payment, is obliged to request liquidation of the bank from the judiciary. Here, I would like to state verbatim the text of Article 2 of Law No. 2/67, issued on 6 January 1967:

"Immediately upon determination that a bank has ceased payment, the governor of the Bank of Lebanon is obliged to request the competent court to apply the provisions of this law on the aforementioned bank and to so inform the ministers of justice and finance.

In order to apply the provisions of the preceding section, a bank is considered as having ceased payment in each of the following cases:

1. If it itself announces the cessation of payment.
2. If it does not repay a debt which it owes to the Bank of Lebanon upon its maturity (we have paid out \$44 million to date).
3. If it draws a check against the Bank of Lebanon without sufficient funds, (the checks which it draws are without sufficient funds inasmuch as the Bank of Lebanon has to date been covering them for it).
4. If it does not supply sufficient funds to cover the balance of a debt resulting from clearinghouse operations."

According to this article, Bank al-Mashraq stopped payment a long time ago. I also draw your attention to Article 140 of the Money and Credit Law, which requires the Banking Organization to delete a bank from the list of banks, so that you will publish it, especially for those who are unaware of this provision. This article states:

"A bank shall be deleted from the list of banks:

- a. If it is subject to liquidation.
- b. If it itself declares that it is stopping payment.
- c. If the Supreme Banking Organization ascertains that it is no longer in a position of being able to continue its operations, etc.
- d. In the cases stipulated in Article 608 (...)."

Here, it is necessarily the duty of the governor of the Bank of Lebanon to submit a request to the judiciary for the liquidation of such a bank in order to apply the law issued in 1967. However, the governor of the Bank of Lebanon does not wish to submit this request immediately. He desired that the Bank al-Mashraq be supplied with funds, and that it repay its commitments in the manner which I explained earlier, in application of Legislative Decree No. [?10] issued in 1977. This legislative decree gives the Bank of Lebanon unrestricted judgement and sanction to ascertain whether the public

interest requires that a bank be supplied with the necessary funds. It is heretical and naive to say that the Bank of Lebanon should float every bank which falls into the abyss, fails or ceases payment, because such action, while it would perhaps float one or several banks, would also bankrupt the Bank of Lebanon. I ask those discussing the topic to be serious and to leave the management of affairs to the specialists who experience the bank sector's concerns on a daily basis. We in the Bank of Lebanon have not stopped trying to determine whether we can float Bank al-Mashraq, but I doubt very much that the Bank of Lebanon will decide in favor of floating on the Central Council if our Arab brothers, who are shareholders in the Intera Company, do not approve an increase in the capital of the company for the purpose of floating the Bank al-Mashraq.

[AL-NAHAR] Was it not possible to salvage branches of Bank al-Mashraq abroad 5 months ago—B.P.P. Paris and [?B.P.P. Lugano]?

[Na'im] How would we have salvaged them when the deficit is as it is now? How could I do that? In any case, neither B.P.P. Paris nor B.P.P. Lugano are branches of Bank al-Mashraq. B.P.P. Paris was founded by the Intera Company, which holds shares in it directly or indirectly.

[AL-NAHAR] Several days ago, payment was stopped on checks presented by citizens to Bank al-Mashraq. Is this a step on the way?

[Na'im] Payment stopped because the Central Council in the Bank of Lebanon initially was authorizing the defrayment, for Bank al-Mashraq, of up to 70 percent of the value of the securities submitted to the Bank of Lebanon.

[AL-NAHAR] Have you exceeded them?

[Na'im] We have exceeded the securities. We have exceeded the full value of the securities.

[AL-NAHAR] What about the Intera Company after the appointment of Dr Maurice Nasr as its temporary director in accordance with a judicial decision?

[Na'im] I said that this judicial decision is afflicted by essential defects, which enable me to appeal it. I maintain the right to appeal it when I deem the circumstances appropriate.

[AL-NAHAR] Inasmuch as the Bank of Lebanon is the largest shareholder in Intera, why does one not proceed to convene a general board meeting again?

[Na'im] I requested that a general board meeting be held. However, the temporary director and the controllers have so far not convened a general board meeting. I believe that it is possible to wait for the availability of circumstances which enable us to exercise our obvious, clear right in the Intera Company, since we hold 40 percent of its shares. The Intera Company is outside of our control. It was outside of our control in the past, and we could not reach it, and it is currently outside of our control, and we cannot reach it.

Compelling Circumstance

[AL-NAHAR] Due to the security situation, several banks have not been able to cover their obligations regarding treasury bonds, especially the private banks. How is this matter being handled, and what would happen if it is repeated in the future?

A compelling circumstance, according to the law, justifies the nonfulfillment of obligations. If the banks, or several banks, prove to us that there is a compelling circumstance preventing their subscription regarding bonds, their abstention is justified. Consequently, we will not fine them. However, if they are unable to prove that, we would fine them.

[AL-NAHAR] Regarding the calculation of the currency reserves of the Bank of Lebanon, which is contained in the summarized statement issued by the bank on its situation at the end of March, it was noted that the bank's external assets increased by \$186 million from about \$939 million at the end of February to about \$1,125,000 at the end of March. It is striking that this large increase was realized despite the events which exploded on 14 March, which paralyzed all economic facilities, stopped industrial production and tourism services, and resulted in the curtailment of commercial exchange due to the imposition of air naval, land, and air blockades. How do you explain this discrepancy, knowing that all of the given facts do not encourage the entry of capital into Lebanon, but rather compel it to flee abroad?

[AL-NAHAR] Foreign funds belonging to the Bank of Lebanon continue to yield interest abroad. This interest has accumulated and led to an increase in the total to which you referred.

[AL-NAHAR] Several months ago, the heading "private sector debts" in the Bank of Lebanon balance recorded large increases which totalled, monthly, 1.5 billion pounds, whereas before the Bank al-Mashraq crisis, they did not exceed 50 million pounds. To what extent can the Bank of Lebanon bear this burden in addition to the public debt? And what are the guarantees for this debt?

[Na'im] First, I have not examined this statement, although it could be the result of interest on private sector debts.

[AL-NAHAR] It is noted that the public sector has deposits exceeding 128 billion pounds at its disposal and 55.50 billion which are blocked, however the treasury is proceeding to borrow from the Bank of Lebanon every month, such that the loans given to the state have come to total 103.6 billion pounds. Are the state's deposits largely in foreign currency and cannot be freely disposed of, or are they merely ledger entries?

[Na'im] The public sector's account in the Bank of Lebanon, designated Finance Ministry Account 36, is in Lebanese currency. This account, which includes the fuel fund, has gone into debt by 45 billion Lebanese pounds, because funds requested by the state are paid out from it.

It is replenished by treasury bonds, while the 45 billion deficit is replenished directly by the Bank of Lebanon, not from treasury bonds. It is therefore incumbent on the Finance Ministry, upon publishing its daily reports, [to indicate] the indebted sums, which currently total 45 billion Lebanese pounds, as a deficit. Moreover, these sums which appear as a debt of the Lebanese state in every report sent to the Finance Ministry, which is authorized by the governor of the Bank of Lebanon, can be repaid subsequently with treasury bonds. In other words, they can be repaid from account 36, which is replenished by treasury bonds. There is also the development and building account and the electricity account, which are loans from the Bank of Lebanon. Such accounts, which are loans from the Bank of Lebanon, always appear as a public sector debt. The accounts showing a deficit are repaid from account 36 and cannot be considered a fixed debt owed to the Bank of Lebanon by the Lebanese state, since this deficit can be repaid from the income of treasury bonds. There are also sums owed to several public institutions.

[AL-NAHAR] In pounds or foreign currency?

[Na'im] They can be in foreign currency or Lebanese pounds, such as the open account in the Bank of Lebanon in the name of the National Defense Ministry. It established a basic line in foreign currency, part of which is in Lebanese currency, which is debt credited, not debited, to the public sector. Likewise, several municipalities have accounts in Lebanese currency in the Bank of Lebanon. Several foreign organizations subordinate to the UN also have accounts in the Bank of Lebanon, which are not considered public sector organizations according to the intended meaning, because the public sector in this context is the Lebanese public sector.

The Public Foreign Debt

[AL-NAHAR] What is the total external debt of the public as present?

[Na'im] According to my estimations, which are not completely accurate, it could be about \$500 million or a little less.

[AL-NAHAR] How is it repaid?

[Na'im] I am not the one to repay. It must be repaid by the debtor, namely the Lebanese. In other words, the Development and Building Council and the Housing Ministry must repay it. From time to time, they ask me to repay it for them. Sometimes, I agree, other times, I do not, depending on the funds available to me.

[AL-NAHAR] If the current situation continues, in February 1990, the end of tenure of the governor's deputies falls due. It is frequently said that some of them do not wish to renew, while others wish to continue. How are you preparing for this?

[Na'im] I cannot say anything regarding this subject. The matter pertains to the two authorities and their mutual agreement. God willing, matters will be settled between

today and February and will return to normal, with extension or appointment taking place according to the desires of my colleagues. This will be very easy at its appointed time.

[AL-NAHAR] It is said that the last installment in the conspiracy against Lebanon is the Bank of Lebanon and the bank sector. Do you perceive danger? How are you maintaining your ground?

[Na'im] First, I personally maintain harmony in the administration and solidarity among officials in the Bank of Lebanon as much as possible. I protect, as much as possible, the funds at the disposal of the Bank of Lebanon; I do not waste them, nor do I allow officials to waste them. Within these two areas, I can preserve the Bank of Lebanon. Perhaps some people who wish to destroy what remains of the Lebanese state aim to destroy the Bank of Lebanon, to coerce it—in the light of the difficulties of several banks—to generously expend all that it has for the troubled banks, starting with Bank al-Mashraq. They believed that the Bank of Lebanon would intervene to pay all of Bank al-Mashraq's debts, domestically and abroad. Juristic knowledge precluded that objective, since Bank al-Mashraq was divided into three parts: a part located abroad, in which I have no involvement; a part located in Lebanon, which comprises institutions in the orbit of the Bank al-Mashraq Tamraz and the Intera Company, to which we pay only what they need, which they are pledged to repay from their profits; and the third part, which is the regular depositors, whose fears we absorbed by paying them all funds owed to them. Praise be to God, no shock occurred, and Lebanese society is still hopeful regarding the future and the basing of a new modern state on this pillar of pillars named the Bank of Lebanon.

[AL-NAHAR] At the end of last September, after the governmental split, you told AL-NAHAR that the Bank of Lebanon would brave another year in this situation. What do you say today?

[Na'im] I am certain that it will brave another year.

OMAN

Loan To Finance Third 5-Year Plan Discussed

44000611b Muscat *TIMES OF OMAN*
in English 6 Jul 89 p 9

[Article by Oswald Pereira]

[Excerpts] A US\$500 million loan taken up by the Government of Oman from a consortium of 42 international banks and financial institutions will be used to finance ongoing and development projects of the Sultanate's Third Five-Year Plan (1986-90).

The Deputy Prime Minister for Financial and Economic Affairs, Qays Ibn-'Abd-al-Mu'nm al-Zawawi, said last week, before signing the loan agreement at al-Bustan Palace Hotel: "We intend to utilize this loan for the

financing of those projects which have already been approved in the current plan period."

The medium-term loan, to be repaid in eight years, with a grace period of four years, was arranged by Gulf International Bank and Chase Investment Bank. An interest of three eighths percent over London Inter-Bank Offered Rate will be charged for the first three and a half years. For the remaining period of four and a half-years interest of half percent over LIBOR will be charged.

"The Government of the Sultanate of Oman, despite the sharp fall in the oil prices witnessed in the international oil market has managed to implement a number of essential development projects which contributed largely to the reasonable economic growth achieved during the past years," Mr Zawawi said.

"This has been possible because of realistic administration of the financial affairs of the Sultanate.

"This loan of US\$500 million is a part of that planned borrowing," the Deputy Prime Minister said.

He also spoke of the confidence enjoyed by the Sultanate in the financial arena and the "close relationship which links Oman with all your financial institutions."

Mr Zawawi observed that the Government had adopted financial and economic policies which aim at diversification of sources of national income. In the light of this, the objectives and planning programmes for the next period will emphasize the development of productive sectors as well as human resources.

Policy

The Government had adopted a free economic policy which encourages private sector activity. Its policies also aim at expanding the productive base through encouraging the private sector to participate in boosting the development efforts.

Mr Zawawi said: "The Government has opened a Stock Exchange Market in Muscat this year, which we hope will help to stimulate private financial resources towards investment" and increase the participation of the private sector in "implementation of productive projects."

The Chairman of GIB, Mr 'Abdallah H. Sayf, said that the terms and conditions of the loan were extremely favorable. This is the third time that GIB was participating in loans for the Sultanate.

The first loan for \$300 million was signed on January 30, 1985 and the second for \$500 million on May 21, 1986, he said.

Water Supply Extension Project Reported

*44000611a Muscat TIMES OF OMAN
in English 6 Jul 89 p 6*

[Article by Meena Ganjvir]

[Text] Piped Government water supplies are being extended to new areas in Muscat and other parts of the Sultanate bringing relief to thousands of people, according to Ja'far Ibn-Muhammad Ibn-'Ali al-Shaykh, Director-General of Water in the Ministry of Electricity and Water.

The Director-General said work had commenced on a major American-aided project in Muscat while two water supply schemes had been recently completed in Muscat and Buraymi.

"With the signing of an agreement with an American consultancy company, Messers. Engineering Science this month, work had started on the RO 7.5 million—Water supply improvements project partly funded through American aid."

The project to improve water supply in Muscat's eastern and western sector is likely to take about 30 months to complete, the official said, adding that the construction would begin only after 15 months.

The project involves construction of additional 50,000 cubic meters capacity reservoir at Ghubrah and laying of about 30 km of 1,000 mm diameter transmission pipelines. It also proposes to establish a water testing laboratory at the pump station and provide a fluoridation facility.

Buraymi

Meanwhile, a recently completed RO 2.5 million project has immensely benefited the residents of Buraymi, who had been facing an acute water shortage with just an hour of assured piped government water supply in a day.

The shortage, Mr Ja'far al-Shaykh said, had been largely because the wells had failed to yield sufficient water. To overcome this problem the Ministry developed a new well field about 40 kms from the town and dug 11 new wells to meet the demand of this prosperous town.

The project to improve the water supply also involved construction of one 10,000 cubic meter (about 2.25 million gallons) concrete reservoir on top of a hill and laying of over 40 kms of water pipeline.

The water from the new wellfield is first pumped to the reservoir and then to the existing 500,000 gallon—capacity overhead tank and distributed after chlorination.

The official said, the new water scheme was capable of serving a population of about 30,000 and would be sufficient to meet the demand of the Buraymi town for the next five years or even longer.

Another significant project concluded recently is the RO 500,000 al-Sib extension project, which he said, fulfilled a long-standing demand of the flourishing al-Khawd township and rapidly developing al-Hayl.

Network

This project, which involved laying 50 kms of locally made asbestos water pipelines ranging from 100 to 300 mm diameter, was completed in 12 months. "The network is complete and people can apply for house connections," he said.

About 10,000 people are expected to benefit from the new network of pipelines laid by the Ministry. The network has been designed with the help of modern computer network analysis to ensure that the correct sized pipes were used so that even the farthest areas had adequate water pressures.

The network is capable of supplying daily about 2,000 cubic meters of water to these two areas, which until now used to get their supplies from tankers.

Adequate provision has also been made for fire-fighting with 120 strategically placed hydrants.

The Ministry also has several smaller projects lined up to improve the water supply in Muscat, including extension of piped water supply to some of the areas in al-Khuwayr, Qurm and Wadi Kabir and construction of a new overhead tank in al-Sid.

The official said there are at present certain pockets in al-Khuwayr, Qurm and Wadi Kabir, which are still not covered by Government water supply and the new RO 400,000 project starting in about four months will bring piped water to these areas.

The new 1,200 cubic meter overhead tank to be constructed al-Sib will replace the present pressed steel tank.

The Director-General said pressed steel tanks had been giving problems and the Ministry had decided to replace these tanks with concrete tanks. Work on the al-Sib tank, will start at the end of this year or the beginning of next year.

Another project to improve the water supply in muscat which has already taken off is the development of brackish water resources in Bawshar and al-Aansab which would be treated and mixed with desalinated water for distribution.

The Director-General said five wells had already been drilled at Bawshar and five more will be drilled at al-Aansab. There are at present about eight wells at al-Aansab, but they cannot be utilized. The project involves laying 200 to 300 mm diameter pipelines which would carry the pumped water from the wells to the Ghubrah plant.

QATAR

Ministers Named in Cabinet Reshuffle

44000621 Doha AL-'ARAB in Arabic 19 Jul 89 p 1

[Text] His Highness Shaykh Khalifah Ibn-Hamad Al Thani issued an emiri decree reforming the cabinet under his chairmanship.

The municipal affairs portfolio has been merged with agriculture according to the new cabinet formation, and also the industry portfolio has been merged with public works.

The following is emiri decree No.3 for 1989 for the reformation of the cabinet:

I, Khalifah Ibn-Hamad Al Thani, ruler of Qatar,

After reviewing the amended provisional constitution, especially articles 23, 29, 31 and law No.5 for 1970 on defining the competency of ministers and assigning portfolios of ministries and other government departments and related amended laws.

After reviewing decree No.35 for 1970 on the formation of the cabinet and emiri decrees amended and supplementary to that decree, have decreed the following:

Article No.1

The cabinet is reshuffled under my chairmanship as follows: 1. His Highness Shaykh Hamad Ibn-Khalifah Al Thani, heir apparent and defence minister. 2. His Excellency Shaykh 'Abd-al-'Aziz Ibn-Khalifah Al Thani, finance and petroleum minister 3. His Excellency Shaykh Hamad Ibn-Jasim Ibn-Hamad Al Thani, minister of economy and trade. 4. His Excellency Shaykh 'Abdallah Ibn-Khalifah Al Thani, minister of interior.

5. His Excellency Shaykh Hamad Ibn-Suhaym Al Thani, minister of information and culture. 6. His Excellency Shaykh Ahmad Ibn-Sayf Al Thani, minister of justice. 7. His Excellency Shaykh Khalid Ibn-Muhammad Ibn-'Ali Al Thani, minister of public health.

8. His Excellency Shaykh Hamad Ibn-Jasim Ibn-Jabur Al Thani, minister of municipal affairs and agriculture.

9. His Excellency Dr. 'Isa Ghanim al-Kuwari, minister for emiri diwan affairs. 10. His Excellency 'Abdallah Ibn-Khalifah al-'Attiya, minister of foreign affairs. 11. His Excellency 'Abdallah Ibn-Salih al-Mana', minister of communication and transportation. 12. His Excellency 'Abd-al-'Aziz 'Abdallah Turki, minister of education. 13. His Excellency Mubarak 'Ali al-Khatir, minister of electricity and water. 14. His Excellency Ahmad Muhammad 'Ali al-Subay'i, minister of industry and public works. 15. His Excellency 'Abd-al-Rahman Sa'ad al-Dirham, minister of labor, social affairs and housing.

Article No.2

Decree No.35 for 1970 and the related amended and supplementary emiri decrees are cancelled, and every law contravening this emiri decree is also cancelled.

Article No.3

This emiri decree is effective from issuance and its publication in the official gazette..

Vegetable Oil Sector Seeks To End Imports

44000609c Doha GULF TIMES in English
9 June 89 p 21

[Text] The coordinating meeting of the vegetable oil factories in the Arab Gulf states which was held yesterday at the Gulf Organization for Industrial Consulting (GOIC) in Doha, recommended carrying out a technical and economic feasibility study to replace old technology to increase its competitiveness in import substitution.

The meeting which also reviewed problems facing the industry, recommended training of national cadres and reviewing means of rationalizing labor and upgrading productivity.

The meeting called for benefiting from the services of the Regional Center for Food Contamination as well as equipment of the central laboratories in Qatar to help in discovering fraud in the raw material and identifying the type of imported vegetable oil.

The meeting also called for collective importing of raw materials to get best prices and conducting a feasibility study on setting up a project for extracting raw material from seeds to supply the existing companies.

Participants at the meeting included representatives from the UAE [United Arab Emirates] Food Industry, the Saudi Vegetable Oil Industry, the Iraqi Industry and Military Industrialization Ministry, the GCC general secretariat, the Gulf Standards Organization, the Doha-based Regional Center for Food Contamination Control and GOIC.

Boost in Business for Shiprepair Yard

44000609a Doha GULF TIMES in English
23 Jun 89 p 21

[Text] Cairo: Leaders of the Arab Cooperation Council (ACC) said the council will cooperate and coordinate with the Cooperation Council for the Arab States of the Gulf (GCC) and Arab Maghreb Union (AMU) as well as with other Arab countries within the precincts of the Arab League to achieve Arab solidarity and strengthen the Arab nation.

The four leaders were talking to editors of Egyptian papers after the closing session of the council here.

Iraqi President Saddam Husayn expressed optimism over finding solutions to the Palestinian and Lebanese crisis. He stressed the need that all non-Lebanese troops should leave Lebanon to enable Lebanese parties to decide on the dialogue for resolving the problem.

On his country's relations with Iran, President Husayn said all he wanted was that each nation respects the sovereignty of the other and not to interfere in other's affairs.

The Iraqi president expressed the hope for peace saying people of Iran realized that there was no use of war.

King Hysayn of Jordan expressed the hope that the mission of the tripartite committee formed by the Arab emergency summit to find a solution to the Lebanese problem would be crowned with success.

Yemeni President 'Ali 'Abdallah Salih said the ACC summit to be held in Sanaa will move us to the stage of actual implementation of decisions adopted in Alexandria.

President Mubarak of Egypt said every nation member to the ACC will continue to have its own sovereignty and that no member state will interfere in internal affairs of the three others.

ACC Secretary General Dr Hilmi Nammar said he will visit ACC member states to discuss integration projects.

SUDAN

Religious Affiliations of Coup Questioned

Al-Bashir's NIF, MB Affiliations

45190110 Paris *LE MONDE* in French
23-24 Jul 89 pp 1, 5

[Article by special correspondent Jean Gueyras: "Sudan's Masked Junta"; first paragraph is *LE MONDE* introduction]

[Text] Three weeks after the Islamic coup d'état in Khartoum, the Sudanese junta dares not show its cards. Contested by the population, who accuse it of representing the Muslim Brotherhood [MB], the junta has responded by making many arrests, notably among left-wing university professors.

Who are the new military men in power in Khartoum since the beginning of July and what do they want? Nearly 3 weeks after the 30 June coup, the true nature of the Revolutionary Command Council [RCC] for National Salvation is still hazy and its objectives still ambiguous. "This time we have a putsch that doesn't dare show its true colors," says an intellectual who has seen 3 juntas seize power in Sudan in 30 years.

Rumors flew from the very first hours of the coup. "It is a coup by the Muslim Brotherhood," it was whispered—their reputation following them—while the radio spewed out its usual stream of military communiqués affirming, among other things, the "pan-Arab nature of the action taken by the armed forces." As the days went by, these "whisperings" gave way to a "deafening uproar," to use a term employed by the authorities themselves.

Faced with ever-more-precise accusations and the growing doubt of even the Arab friends who had been quick to loudly applaud "the salutary June revolution," Colonel Qalandar, editor-in-chief of the junta's organ "AL-QUWAT AL-MUSALAHAH," broke an embarrassed silence 15 days later. He published a clarification, written in convoluted style, denying the existence of any link between the junta and the National Islamic Front (NIF).

As far as Col Qalandar is concerned, the NIF is just as responsible for the corruption and other misdeeds of Mr Sadiq al-Mahdi's regime as the other, dissolved, political parties are, and will therefore be treated in the same manner. Islamic banks will be punished if they prove to have been involved in the misappropriations.

Although General 'Umar Hasan al-Bashir, leader of the junta, has never belonged to the NIF, he is a devout and exemplary Muslim. He is even said to have asked Col Qalandar: "Since when has attachment to a religion and a life of moral rectitude constituted a political attitude?" According to the colonel, this is the same justification used by members of the government who describe themselves as "pious men" like most Sudanese, but who have never been politically affiliated.

This long argument later rebroadcast on television has, far from dispelling the suspicions of the Sudanese, further strengthened their conviction that they are dealing with Muslim Brothers. "They are lying and take us for idiots. Everyone knows them," asserts a clear-sighted intellectual who humorously adds: "Actually, they are bad Muslims, but good Muslim Brothers." But on what, then, are the virtual majority of Sudanese basing their stubborn assertion that the putschists belong to the Muslim Brotherhood movement?

The first factor supporting their conviction is Gen Bashir's personality itself. The product of a family who all belonged or presently belong to the Muslim Brotherhood, he is known by those who follow Sudanese politics closely as one of the heads of the military branch of the NIF. As far back as last March, he was credited with intending to organize a "coup" on behalf of Mr Hasan al-Turabi, who had just quit the governmental coalition. His detractors have even unearthed and circulated in Khartoum an old news item published in the October 1985 London Baathist weekly "AL DESTOUR" in which he is portrayed "as a Muslim Brother reportedly in charge of preparing a coup, on behalf of Mr Hasan al-Turabi, with officers who are partisans of the former president Numeiry."

The Shari'a Obstacle

The composition of the new government, however, was the decisive factor in convincing the last few still-vacillating individuals. Of the 13 northern civilians who are part of the [government] team, only 2 are definitely neither members nor sympathizers of the Muslim Brotherhood. The soldiers even managed to name a Muslim as

one of the three ministers assigned to the south, despite the fact that its people are overwhelming Christian and animist.

The man in question is Mr 'Abdallah Deng Nhial, whose father was a Christian missionary killed by Arabs in 1965. Taken in by Muslims, he converted to Islam and completed his education at the University al-Azhar in Cairo, before teaching Arabic at the University of Juba. He is notorious as an active member of the NIF in the south.

For most Sudanese intellectuals, however, proof that the junta belongs to the Muslim Brotherhood lies in its attitude toward the Shari'a (Islamic law) and the war in the south, two tightly interwoven problems. The positions taken by Gen Bashir on these two questions seem to be inspired directly by propositions defended by Hasan al-Turabi. Turabi has never accepted the 16 November 1988 Addis-Abeba accord reached between Col Garang and the head of the Unionist Democratic Party, Mr Osman al-Mirgani. Turabi says the agreement specified unacceptable "preconditions," such as a freezing of the Shari'a. The imposition of Islamic life is, for him, an irreversible reality of Sudanese society.

On this point, Col Qalandar told us that there was no political movement in Sudan "prepared to link its name with an eventual repeal of the Shari'a." Up till now, Gen Bashir has not gone as far, but his comments remain quite ambiguous. Refraining from any statement on the fundamental nature of the dispute, he has several times said that the problem deserves to be examined seriously and should eventually be submitted to the people, who would settle the question by a referendum. The plebiscitary nature of such a move is clear to all.

The only concession he seems willing to consider is that Islamic law not be imposed on the south. This viewpoint, traditionally defended by the NIF, was already rejected by Col Garang on the grounds that such a measure would amount in practice to splitting Sudan into two different states. Indeed, the latter is a possibility that NIF partisans do not rule out in private conversations.

Some people even claim that the 30 June coup was organized for the specific purpose of torpedoing the 16 November 1988 accord, which was sooner or later bound to result in the freezing and annulment of the Shari'a and a return to the secular laws of 1974. There are some disturbing facts that support this hypothesis. The new coalition government excluding the NIF formed by Sadek al-Mahdi following the ultimatum issued him by the army in February had made immense progress in its Addis-Abeba talks with Col Garang's friends.

Even Mr Sadek al-Mahdi had come to understand that only the success of the Addis-Abeba talks could save his regime. During the latter half of June, the final preparations for the decisive meeting to be held in the Ethiopian capital had been completed with dispatch. On Thursday 29 June, that is, a few hours before the coup, Sadek al-Mahdi had received the delegation that was to go to

Addis-Abeba. He had promised them he would decree a freeze of Islamic laws, one of the last obstacles to talks with Col Garang's friends.

The Stratagem

Moreover, the prime minister was to have traveled 2 days later to Tripoli, to get a proper agreement from Colonel al-Qadhdhafi to renounce the military protocol signed between the two countries in 1985. The Parliament would still have had to ratify these arrangements, but ratification was practically assured. On 4 July, then, the two parties meeting in Addis-Abeba were to form a mixed technical committee to examine lifting the state of emergency, to define ways of implementing a cease-fire (the final two points of the 16 November agreement), and to set up a commission to prepare for the constitutional conference scheduled for the 18 September. Time was working against partisans of the intangibility (as published) of the Shari'a, and the putschists seem to have rushed to avoid the irreparable.

It is now possible to reconstruct the broad outlines of the coup scenario, with the help of trustworthy information gathered in Khartoum on which various sources agree. It all began Wednesday morning, 28 June, when Gen Bashir, accompanied by two Muslim Brotherhood officers and Mr Ali 'Osman Taha, leader of the NIF Parliamentary group—said to be the principal organizer of the putsch—contacted a group of Nemeirist officers.

The general informed them that the commander-in-chief of the Army, General Fathi, planned a purge and had already prepared a list of 146 superior officers who would be automatically retired. He suggested a joint action to "save the country." The coup was thus jointly carried out by a majority of Muslim Brotherhood officers—reportedly about 150—and a few officers nostalgic for Nemeiry's regime. Three of the latter, moreover, are members of the Revolutionary Council, while 12 Muslim Brothers hold seats on it.

The first action taken by the putschists was to occupy the radio building and gain control of the bridges linking the three populated areas of the capital. This was done rapidly through the use of a stratagem: The putschists, relying on their accomplices in the security forces, long infiltrated by the NIF, possessed the secret code proving they were acting on behalf of the commander-in-chief, Gen Fathi. The latter was actually the first to be arrested. Unaware of the true objectives of the putschists, the military units rallied to their cause.

The soldiers tricked in this way realized their mistake at a much later date. This explains the large number of retirements in a 2-week period (210 superior officers, including 30 generals) and the fact that the curfew remains in effect 3 weeks after the coup. "The coup is not yet over," an intellectual close to the military, who does not rule out further developments in the very near future, assures us.

In this context, the abundance of reassuring and moderate statements made by Sudan's new masters serves as much to calm the anger of the duped officers as it does to still the anxiety of certain foreign powers, notably Egypt, Saudi Arabia, and the United States. The last three had seen the 30 June coup as a healthy development and an end to a regime that was vassal to Colonel al-Qadhdhafi's Libya, their bete noire.

The Egyptians, who seem to have gotten the wrong coup—in Khartoum we are assured they were preparing their own coup for 1 July—hopped on the moving train in order to better control the situation. The situation is all the more galling for them as they were the chief architects of the 16 November 1988 accord that Gen Bashir swept aside in a single stroke and because the Islamists they are fighting in Cairo are now in power in Khartoum. But, we are told, they have not given up hope of "salvaging" the putschists who, like all military men, could show an inclination to be pragmatic inasmuch as they are urgently in need of help to consolidate a regime already being contested by the people.

Turabi's Role in Coup

45190110 Paris *LE MONDE* in French 23-24 Jul 89 p 5

[Article by special correspondent J. Gueyras: "Is There a Mystery Turabi?"]

[Text] Though it is apparently Turabi who benefits most from the overthrow of Sadek al-Mahdi's government, the question is being asked: Is there a mystery Hasan Turabi, going by the name of the leader of the National Islamic Front, imprisoned during the first hours of the coup with the other Sudanese leaders?

Most Sudanese find nothing strange in this apparent contradiction. People even speak readily of "deliberate mystification" and "shrewd camouflage." Wasn't Hasan Turabi, known for his machiavellianism, imprisoned once already by ex-President Nemeiry 20 days before the end of his reign? This imprisonment earned him the halo of "Nemeiry resistor," despite the fact that he was Nemeiry's staunchest supporter for many long years.

The story is even going around that, on the fatal evening of 29 June, Turabi prepared his personal effects and welcomed the officers who had come to take him to the Kobar prison with a thundering, "So, did everything go well?" But leaving aside this anecdote, which may be a product of the popular imagination, opinions are still mixed on the real reasons for incarcerating the NIF leader. Some people claim he was opposed to a military coup and left behind within his own movement by those more extreme than he, including the famous 'Ali 'Osman Taha, head of the NIF parliamentary group.

But partisans of the "shrewd camouflage" hypothesis, who outnumber the others, are holding fast to their point of view and even assert that Mr Turabi sent a message from prison to his partisans, asking them to unconditionally support the 30 June movement. This, moreover, is

what leaders of the Sudanese University Student-Union NIF, who have finally been authorized to freely pursue their activities, did.

Muslim Brotherhood Organization

45190110 Paris *LE MONDE* in French
23-24 Jul 89 pp 5

[Article by J. Gueyras: "Muslim Brotherhood or NIF?"]

[Text] The Sudanese branch of the Muslim Brotherhood split into two distinct movements in 1983. The largest one, and its "hard core," remained under the control of Hasan Turabi, its supreme guide. Since then, the latter has created the National Islamic Front, a large, mass organization which he controls.

The minority group kept the name of "Muslim Brotherhood Association" [AFM]. It is led by Mr Sadel 'Abdel Meguid, a pro-Saudi and practically the only political leader not to have been worried by the putschists. Much more theologically uncompromising, the AFM has little political influence. For the Sudanese, the real Muslim Brotherhood are Mr Turabi's friends, grouped in the NIF.

SYRIA

USSR Contributes to Building of Tishrin Dam

44040497 Damascus *TISHRIN* in Arabic 28 Jun 89 p 4

[Article by Naji As'ad: "Dam Will Insure Us 630 Megawatts of Electricity"]

[Text] We make a first visit to the work sites at the Tishrin Dam installation on the Euphrates River near Manbij, the second largest dam in the country, after the Great Euphrates Dam. This installation embodies the firm will of this land's leader and people, a will that challenges difficulties in order to build the foundations of economic development in this resolute country, a will that unrelentingly perseveres in implementing the largest and most complex development projects, despite transitory economic difficulties imposed by the need to resist the Zionist enemy and the resources and funds this requires. Despite that, and despite the great development that this country has arrived at in the battle of building and construction, the wheel of development stops at no limit, but continues its course toward fields deeper and more complex. As soon as the Euphrates Dam neared completion, huge land reclamation projects began on the Euphrates. As soon as the Ba'th Dam was completed on the Euphrates river, national cadres began earnest, untiring work to build the second largest dam in the country, after the Euphrates dam; it, too, is on the Euphrates river. The new Tishrin Dam is an earthen dam being constructed on the model of the Euphrates Dam in cooperation with the friendly USSR. Soviet institutions are preparing the designs and offering Soviet-manufactured materials and equipment not available in the country.

Engineer Ibrahim Makhul, general director of the General Organization for Land Reclamation, says that the dam's technical design is expected to be finished at the end of the current year. "We have agreed with the Soviet side that working plans for the excavation of the generating plant will be presented before the technical design is presented, so that we can begin work on the excavations. The working plans were indeed presented on schedule at the end of this April. Preparations are under way at the site to begin implementation work next month."

He explained that the General Company for Land Reclamation is implementing the project. There is constant follow-up by the government to keep to the schedule, whether in completing studies or in implementing work according to the programs set for this project. Two of the six turbines scheduled for installation in the project are expected to be put in place during the second half of 1993. He explained that explorations, studies, and site preparations are proceeding well and in accordance with the established programs. By resolution of the prime minister, a follow-up and coordination committee has been formed, chaired by the minister of irrigation, with the general directors of the relevant organizations and companies as members. This committee meets periodically to follow the progress of work and make necessary decisions to overcome any obstacles.

Eng Makhul pointed out that the necessary advance bases have already been completed. Work on the production bases has begun, including concrete molding centers, storehouses, open spaces for foundations, and bases for assemblies. An electrical transformer station has been built at the site to insure the needed power during the project's implementation. Soviet supplies have begun arriving at the site, including equipment, vehicles, and building materials. A contract has been concluded for building a 230-kilovolt power line between Halab and the dam site. Studies for this line are now being carried out. A contract has been signed with the appropriate Soviet organizations to supply materials and requisites for it.

He explained that a contract has been signed with al-Sahil Building and Construction Company to build a housing development at the project site. This will consist of 308 apartments for workers who will undertake the implementation and for staff that will run the project after its completion. The appropriate agencies are now striving to provide housing for workers at the dam site on an expanding basis, to handle the volume of workers who will be present at the project during the height of the work.

Exploration

Engineer Muhammad Rashid Sawwas, the installation's assistant director for exploration and design, said:

"The purpose of building the dam is to generate electrical power, with a 630-megawatt capacity, through six turbines, each with a 105-megawatt capacity." He

explained that the General Organization for Land Reclamation has been charged with following up exploratory operations from 1 July 1988. By the end of last year, all necessary exploratory operations for the technical design had been completed, adhering to the agreements signed. The technical design would be finished at the end of 1989, so as to speed implementation operations. He explained that work is currently being done on the third phase of explorations. Work is being carried out according to the programs established and agreed upon with the Soviet side. The work consists of carrying out explorations, test injection of cement at specific sites, and the implementation of an experimental dam as a reduced model of the dam. In addition, there are the operations of digging conveyor belts and implementing geological and engineering explorations on both soil and concrete. Furthermore, cutting and compression experiments are being carried out, besides the accompanying geophysical explorations and the necessary laboratory experiments and other surveying operations.

On the Land Reclamation Organization's role in the project through its cadres, Eng Sawwas explained that the cadres carry out careful technical supervision and review of the plans provided by the Soviet side. An office for studies has been established for this purpose. It works in Halab with the Soviet experts and supervises implementation at the site.

He indicated that all the exploratory operations have been done with local expertise aided by Soviet experts—by cadres that had acquired their experience either on the Euphrates Dam or on the Ba'th Dam.

With the Implementing Agency

The General Company for Land Reclamation is implementing the dam construction operations. In a meeting with Mr Fayiz Bakfalawi, director of the Tishrin Dam installation and assistant general director of the Company for Land Reclamation, the following conversation took place:

"Our facilities and those of the other sectors are one. We implement operations in coordination with those sectors simultaneously as regards exploration, design, and implementation operations. To date, company cadres have completed the first part of the project's advance bases, and we have begun the second part of them, as well as the main bases. Intensive preparations are currently under way to begin digging operations for the electrical station at the foundation excavation. As of 1 July 1989, we had readied at the site of this operation a large electric dredge that used to operate at the Euphrates Dam, as well as another dredge newly imported with the agreed-upon Soviet equipment. The electrical line has been implemented and will be placed in use to operate those machines from 1 July 1989. All operations related to the 66-kilovolt transformer station to receive the electrical current have been completed. The Organization for Electricity has installed most of the plant's equipment, so that it will be ready for work."

"A concrete molding works has been completed at the site and has become ready for operation. We have also constructed a basin for raking and have brought in a hydraulic shovel from the Ba'th Dam to insure the necessary diggings. They have begun work." Mr Bak-falawi indicated that work is proceeding partially on two shifts. "We will continue in this way. Work will soon take place in three shifts, so that we can implement pressing programs. One should note that according to protocols signed with the Soviet side, most of the foundation operations will be completed and two of the six turbines will be placed in operation during 1993. The dam's generating capability will be 630 megawatts from six systems. A small lake will be formed to insure pressure. It will contain about 1.9 billion cubic meters, with an area of 166 square km. Imported supplies consist of equipment and vehicles for which contracts have been signed. These are arriving consecutively. A new contract will be signed for the loan granted for this purpose by the Soviet side to insure the vehicles and equipment required for implementation during the initial years of building. One should note that current operations are being carried out with vehicles and equipment from the Company for Land Reclamation." He explained that besides the housing project for experts and engineers, housing for workers will be constructed. According to the directives of the follow-up committee, measures are currently being taken to insure prefabricated housing.

He indicated that use will be made of the facilities of the company's other production bases located at Madinat al-Thawrah in order to lower costs as much as possible.

A road will be built linking Madinat al-Thawrah with the work site via the left bank of the Euphrates River. A bridge will be installed to link the two banks. The road will be about 70 km long. Implementation of it has begun. Grading work on it is expected to be finished at the end of the current year. A metal bridge will be built to link the two banks.

About the importance of the project, he said, "It ranks high in importance, because it will provide a great deal of electrical power. The directives of Comrade General Secretary of the party therefore have mandated completion of the project within record time, since it will contribute to the course of the country's development."

As for the implementing cadre, he said that the existing cadre is an experienced one that worked previously in building the Great Euphrates Dam, as well as in building the Ba'th Dam. In this regard, resolutions have been issued by the company's directorate deeming the Ba'th Dam and the work force that was its essential foundation to be the nucleus of the Tishrin Dam. As the work fronts at the Tishrin Dam develop, the dam is now being supported with workers and engineers who used to work on the Ba'th Dam.

BANGLADESH

Former Officials Sponsor New Political Party

46001544 Dhaka *THE BANGLADESH OBSERVER*
in English 2 Jul 89 pp 1

[Article: "Jamaluddin, Hasnat Float New Party"]

[Text] Bangladesh Democratic Party has been floated on Saturday. Former Deputy Prime Minister Jamaluddin Ahmed and former Mayor of Dhaka City Barrister Abdul Hasnat have taken the responsibility of President and General Secretary of the new party.

The party was floated at a meeting of the political workers from different parts of the country held in Dhaka on Saturday. Mr. Jamaluddin presided. The sponsors claimed that they felt the necessity of floating the new party to fill the vacuum in the political arena to establish democracy and to preserve national independence and sovereignty.

The meeting formed a 101-member steering committee. The meeting also formed a 15-member presidium. The presidium members are Jamaluddin Ahmed, Abdul Alim, Barrister Abul Hasnat, Shamsul Al Alamin, Abdul Hamid Choudhury, Abul Kashem, Abdur Razzak Choudhury, Ahmed Kamal (younger brother of late President Ziaur Rahman), I. Salam, Borhan Uddin, Harun-ur-Rashid Mollah, Jahanjeeb Rashid, M. A. Mutalch, Mohammed Salimullah and Dr. Tareque M. R. Choudhury.

The sponsors of the newly born party are the off-shots of BNP (Obaid) and BNP (Shah Aziz). Earlier they had meetings with former Minister Salahuddin Quader Choudhury and Mr. Anwar Zahid about the formation of a new party.

Communist Party Leader Addresses Party Workers

46001554 Dhaka *THE NEW NATION* in English
23 Jun 89 pp 1, 8

[Article: "CPB Call for United Movement"]

[Text] Mr Saifuddin Ahmed Manik, General Secretary of CPB [Communist Party of Bangladesh], has called upon all opposition forces to launch a united movement against repression on the people.

He was addressing a rally of his party workers at the Purana Paltan corner in the city yesterday afternoon. The rally was held in protest against the proposed budget for the fiscal year 1989-90.

"Why don't we stand united as we all demand ouster of the present Government and holding of a neutral election aimed at establishing people's right," Mr Manik posed the question.

The CPB leader criticised different political parties and alliances for steering movement from separate platforms

and announcing separate programmes to achieve the same good—the fall of what he called the autocratic and illegal Government.

The CPB general secretary termed the budget as an anti-people one and said it would increase the country's dependence on foreign assistance. The imposition of additional taxes of Tk 703 crore as proposed in the budget will provide nothing but a lot of sufferings to the common man of the country, he added.

The CPB leader said that the production in the local industrial and agricultural sectors was decreasing due to faulty policies of the Government.

Mr Manik alleged that the Government was getting different anti-people laws passed in the so-called parliament which was formed without people's verdict and called upon all concerned to resist such steps of the Government.

The rally was also addressed by CPB central leaders Manjurul Ahsan Khan, Shamsuddoha and Nurul Islam.

Later, a procession was brought out.

Minister Announces Export-Import Policy Through 1991

Details on Export Policy

46001543 Dhaka *THE BANGLADESH OBSERVER*
in English 30 Jun 89 pp 1, 10

[Text] Commerce Minister Mr. M.A. Sattar on Thursday, announced the two-year export policy for the year 1989-90 and 1990-91 with an estimated export target of Taka 4,660 crore (\$1,456 million) for the first year. He has predicted 15 per cent higher export earnings for the fiscal year 1990-91.

The Commerce Minister disclosed that inspite of the last year's devastating floods the country's export would stand at Taka 4050 crore (\$1,275 million) during the current fiscal year. He said that the earnings was four per cent higher in terms of dollar compared to that of the last year.

Increase in non-traditional export has been estimated at seven per cent while the traditional export has declined by three per cent.

The basic objectives of the two-year export policy include strengthening the export base by bringing more new items in the export list, sending more trade mission abroad to explore new markets for exportable goods, and to take part in international trade fair to popularise Bangladesh products abroad.

The Commerce Minister stated the strategy for the successful implementation of the two-year export policy objectives. The strategies include extension of more incentives to the exporters to encourage export trade. The strategy stressed the successful implementation of

export crash programme in boosting the export of toys, luggage and fashion goods, electronics and leather products.

Mr. Sattar announced increased incentives for marketing export items and for setting up of export-oriented industries which would use local raw materials. The exporters will be provided with higher quantum of foreign exchange for commercial visits abroad. The foreign exchange allocation for such visits has been raised from one per cent to two per cent of export earning. The maximum of which will be \$40,000. The amount was \$25,000 earlier.

In case of export houses this amount has been raised from one lakh dollar to 1.50 lakh dollar. The foreign exchange allocation for newcomers in export trade has been increased from \$3,000 to \$4,000. The successful exporters will be provided with credit card against this allocation.

Special emphasis has been given to improve productivity in frozen food and textile sectors. Special incentives will be given for the development of textile industries to supply raw materials to the export-oriented garment factories. Shrimp cultivation has been declared as an export oriented industry. Wet blue leather export will be banned from July 1, 1990. Arrangement will be made for the farmers in the northern areas. Special packaging and marketing facilities will be provided for augmenting export of vegetables, fruits and other agricultural products.

The Commerce Minister had declared frozen food and electronic as the priority sector in export trade. The government has recognised eight enterprises as export houses on the basis of export performance. These facilities will be extended to organisations on the basis of their performance. The Commerce Minister called upon all quarters to increase production to boost export earning.

He said that "export or perish" should be the slogan for the nation to overcome the balance of payment difficulty arising out of higher import and lower export. The two year export policy has been announced to reverse the trend.

Import Policy Described

*46001543 Dhaka THE BANGLADESH OBSERVER
in English 30 Jun 89 pp 1, 10*

[Text] Commerce Minister Mr. M.A. Sattar on Thursday announced the country's two-year import policies for the first time.

The two-year import policy for 1989-90 and 1990-91 has been announced liberalising the import procedures to boost up industrial production and to ensure supply of essential consumer goods in the market. Although two-year import policy has been announced the Minister has stated the import programmes and the allocation of foreign exchange only for the first year.

During the fiscal year 1989-90 the import has been set at Taka 8,360 crore (\$2,612.50 million). Out of this allocation Taka 4,145.82 crore has been allocated for the private sector industries, Taka 770.40 crore for public sector industries, Taka 1,730 crore for commercial import in the private sector and Taka 583.58 crore for the commercial import in the public sector.

Speaking on import performance during current fiscal year the Commerce Minister said that the total import till June 30 had been estimated at Taka 7,051.56 crore against the target of Taka 7,278.60 crore. About 96.88 percent of the import target of the current fiscal year has been achieved despite the natural calamities.

An amount of Taka 1,100 crore has been earmarked for import of petroleum products and Taka 30 crore will remain as cash foreign exchange reserve.

The Government has made several procedural and policy changes in the import policy. The policy provided protection to the local industries imposing restrictions on certain items, one controlling list in place of contraband and conditional import of certain items had been introduced and movement of goods from the export processing zone within the country has been allowed under government's prescribed rules.

The indenting rule has been partially relaxed. The importers can now import under proforma invoice from foreign exporters up to Cost and Freight (C&F) value of Taka 10 lakh.

The ceiling for import of permissible items for personal use has been raised from Taka \$1,000 to \$2,000.

Arrangement for import of sugar and salt will be made under government prescribed rules. Old clothes worth Taka 15 crore will be allowed to be imported for the benefit of the low income group people. Every importer will get licence for Taka 50,000 for import blanket, ladies cardigan, sweater, man's jacket and trouser, shirt made of synthetic and blended cloth.

Cement, edible oil, coal and hard coke will continue to be imported under OGL. The condition from agriculture ministry for taking prior permission for import of standardised insecticides has been withdrawn.

All kinds of sheet and plate glass. Ms. Bar, rod and round up to two inches and below, centrifugal pump and switch gear have been put in the free list from the contraband list.

Coffee, uncoated paper and paper board, carton box made of paper and paper board, special centrifugal pump, cane crushing machines and spares, veriable speed motor and geared motor have been included in the open general licence list.

Highlighting the aims and objectives of the two-year import policy the Commerce Minister said that the basic objective of the policy would help accelerate industrialisation under the liberal industrial policy. The new two year import policy will extend facilities for liberal import

of raw materials, packaging materials and spares for the export oriented industries. Arrangement will be made to import essential consumer goods to ensure fair price and speedy supply in the market. The import of technology invented abroad has been made free.

Policy on Tea

46001543 Dhaka *THE BANGLADESH OBSERVER*
in English 30 Jun 89 p 1

[Text] Tea policy for the next two fiscal years was announced on Thursday giving emphasis on increased production and expansion of its export market.

The new policy set a target of tea production at 44 million kg in 1989 and 46 million kg in 1990 calendar year. The country's tea export has been estimated at 30.48 million kg worth Taka 160 crores (50 million US dollars) in 1989-90 fiscal year and 31 million kg earning Taka 176 crores (55 million US dollars) in 1990-91 financial year.

The flood and drought hampered the country's tea production and export in 1988-89. Only Taka 121.68 crores have been earned by exporting 24.18 million kg tea in ten months during 1988-89 fiscal year against the target of Taka 154 crores.

The new policy stressed the need for simplifying the leasing of land for tea gardens, ensuring adequate supply of fertilizer for the gardens and developing the roads inside the garden areas with EEC assistance and Tea Board allocation. The policy emphasised on more production quality, expansion of the market and upliftment of the workers of tea gardens.

Minister Reports Shortage of Stored Foodgrains

46001548 Dhaka *THE BANGLADESH OBSERVER*
in English 28 Jun 89 pp 1, 10

[Article: "84,000 Tons Grains Shortfall Detected in Godowns: Minister"]

[Text] The shortage of foodgrains stocked in the government godowns during the last seven years up to 1988 was estimated at 83822.66 metric tons while another 1561.28 metric tons damaged during the same period, reports UNB.

Food Minister Iqbal Hossain Chowdhury stated this in parliament on Tuesday in reply to independent member Nural Islam Moni.

According to the Food Minister's statement, 22,441 metric tons of rice, 49,612 metric tons of wheat, 11,767 metric tons of paddy, 1,614 metric tons of sugar, 2,700 metric tons of salt and 670 metric tons of edible oil were detected as shortfall in the godowns.

The minister said over 464.834 metric tons of rice, 837 metric tons of wheat, 259 metric tons of paddy, 14,299 metric tons of sugar, 103 metric tons of salt and 62 metric tons of edible oil were damaged in the godowns.

Replying to Saif Hafizur Rahman Khokon (JP), the Food Minister said there were 2704 food godowns with capacity of 18,53,658 metric tons.

The Minister, however, did not explain the reasons behind the foodgrains shortage and damage in the godowns.

Food Deficit 36.38 Lakh Tons

Country's food deficit stood at 36.38 lakh tons during the current fiscal year (1988-89), the Food Minister told Parliament on Tuesday.

Replying to Wing Commander (Retd.) Zahirul Islam (JP), Major (Retd.) Iqbal Hossain Chowdhury said the shortfall was decided to be met by procuring some 26 lakh tons of foodgrains from abroad and increasing domestic production of cereal.

He said 10 lakh metric tons of foodgrains had so far been imported. US dollars 246 million were mobilised from internal resources to meet the import cost.

Besides, 15.44 lakh metric tons of foodgrains worth about 275 million US dollars were received as grant this year, the Minister informed the House.

Chowdhury told another questioner that the country had in its reserve 3,13,446 metric tons of rice and 6,25,609 metric tons of wheat till June 17 last.

Answering a question from Dabiruddin Joarder, the Food Minister said country's food requirement in 1988-89 was estimated at 181 lakh metric tons.

He further informed that the food production target this year was fixed at 175 lakh metric tons, 6 lakh tons below the year's requirement.

22 Lakh Tons Wheat, Rice Under WFP

The Food Minister Iqbal Hossain Chowdhury said the country received 22 lakh 12 thousand 542 metric tons wheat and rice under the World Food Programme (WFP) during the last fiscal year (1987-88).

Replying to Mokter Hossain (JP) the Food Minister said, of the total quantum 3,47,238 metric tons of wheat and 1,94,507 metric tons of rice were received under PL-840-3, 1,12,509 metric tons of wheat under PL-480-2 and 12,93,904 metric tons were purchased on hard cash.

Iqbal said 13,42,089 metric tons of foodgrains were unloaded at Chittagong seaport and 8,45,701 metric tons at Mongla port during the period.

24 Lakh Families Under Palli Rationing

Mr. Iqbal Hossain said about 24 lakh families were enlisted under the Palli Rationing System throughout the country.

Replying to Principal Salam (JP) the Food Minister said the government would have to pay a subsidy of about Taka 134 crore 76 lakh for it.

He told another questioner that so far 5,819 dealers were appointed under the Palli and Municipal Rationing systems.

1484 Tons Foodgrains Unfit for Consumption

The quantum of foodgrains, unfit for human consumption in different government godowns was estimated at 1484.930 metric tons.

Replying to a question from Nur Mohammad (JP) the Food Minister told the Parliament.

Such foodgrains include 518.707 metric tons of rice and 966.223 metric tons of wheat.

The Food Minister told Ali Usman Khan (JP) that at present 3,13,446 metric tons of rice and 6,25,609 metric tons of wheat were kept stocked in the godowns of the country.

Awami League Committee Adopts Resolution

46001552 Dhaka THE NEW NATION in English 26 Jun 89 pp 1, 8

[Article: "AL Resolves To Inflict Final Blow"]

[Text] The Awami League is determined to establish a representative government through free and fair elections to be held under a non-partisan and impartial government.

The party believes that the removal of the 'autocratic' Government can be ensured only through a mass upsurge which is a culmination of protracted struggle and movement.

It has also decided to strengthen its organisational base at village and union levels all over the country and sharpen the spirit of the people through an intensive campaign with a view of inflicting the final blow to the autocratic forces.

The current position of the party with regard to the anti-government movement and enactment of laws by the present parliament was outlined in a resolution of the meeting of the Central Working Committee of Awami League held yesterday with the party chief Sheikh Hasina in the chair at the Bangabandhu Avenue office of the party.

Bangabandhu Sheikh Mujibur Rahman and four national leaders were killed in counter-revolutionary operations by the reactionary forces at a time when he declared the programme of 'second revolution,' the resolution said adding since then the spirit of the Liberation War, values earned though the war, four state principles and non-communal and nationalist ideas had been wiped off.

It said the June 28 hartal would prepare the ground for a new phase of movement which would be intensified through various action programmes to reach the goal of

socio-economic emancipation of the toiling masses on the basis of the seven-point programme spelt out by Sheikh Hasina.

It further said the present controversial parliament which was an illegitimate product of a voterless election had been passing anti-people laws one after another to perpetuate the autocratic rule. In this connection the laws declaring Islam as the state religion and providing for setting up Palli Parishads were referred to.

The resolution said there was a deep-rooted conspiracy to eliminate the pro-liberation forces in the process of government-backed communal politics.

It said that the shameless Government had appeared as a curse to the people at this critical juncture and downfall of the autocratic regime was an ardent desire of them.

Awami League Leader Scores Government Emergency Aid

46001547 Dhaka THE BANGLADESH OBSERVER in English 1 Jul 89 pp 1, 12

[Article: "Government Failed To Help Tornado Victims: Hasina"]

[Text] Saturia, (Manikganj), June 30—Sheikh Hasina today alleged that the Government had failed to provide adequate relief and succour to the tornado-hit people of the district, reports UNB.

"A Government which is not elected by the people has no responsibility for them and, hence, cannot protect them from natural calamities," the Awami League chief told a gathering at Saturia, recently battered by a severe tornado.

Hasina, also leader of the Eight-party Alliance, called upon all pro-Liberation forces to unitedly gear up the Opposition movement to knock the Government out.

She said her party and the Alliance had already announced the seven-point programme for socio-economic and political freedom of the exploited masses.

Terming the programme as a "correct guideline for the nation," she said the programme includes the framework of a future Government accountable to the people and a system of self-reliant economy.

Hasina criticised the fresh tax-burden on the people and said the rural people were already in distress due to exploitation, price spiral and various social injustices.

She recalled that the Bangabandhu Government in the first budget of independent Bangladesh has not imposed any fresh taxes. On the contrary, it waived all outstanding loans. The Awami League government, she further said, exempted land tax up to 25 bighas and supplied agricultural inputs free of cost among the farmers for increased farm production.

Hasina demanded that the tornado-hit farmers of the district be exempted from agri-loans and fresh loans be sanctioned to them to relieve their afflictions.

Among others, Begum Sajeda Chowdhury, Tofael Ahmed, Mofizul Islam Khan Kamal, Benzir Ahmed, Shamsuddoha, Rahmat Ali and Rashed Mosharraf also spoke.

On her visit to the tornado-affected areas of Manikganj, Sheikh Hasina walked through Saturia, Hargaj and Dhorla and enquired about the welfare of the villagers hit by the tornado that left about a thousand people dead in these areas in April last.

On her way to Saturia, the Awami League President addressed a peasant rally at Dhulivita in Dhamrai and visited the mazar of Kalu Shah Fakir at Uttar Kaonara.

India Damming Joint Rivers, Parliament Told

*46001545 Dhaka THE NEW NATION
in English 4 Jul 89 p 1*

[Article: "India Has Built Barrages Over 25 Common Rivers"]

[Excerpt] India has constructed water regulating structures on 25 out of 54 common rivers, Irrigation, Development and Flood Control Minister Mahbubur Rahman told the Jatiy Sangsad yesterday, reports BSS.

Replying to a question from Mr. Nurul Islam Talukder (JP-Sirajganj) the Minister said the government had no plan at the moment to construct any barrage on the rivers Padma or Jamuna.

He, however, said that a barrage was being built on the river Teesta for the development of irrigation system in the country.

In a written answer to another question Mr Mahbub said altogether three Indo-Bangladesh joint committees had been constituted on matters relating to water sharing.

He said that since 1987 the Indo-Bangladesh task force had met on four occasions at the secretary level and added that discussions were still in progress.

The Minister said Bangladesh had submitted a proposal on permanent water sharing at the second meeting of the Indo-Bangladesh Task Force which, he added, was being examined by India. [passage omitted]

Steep Rise in Essential Commodity Costs Reported

*46001556 Dhaka THE BANGLADESH OBSERVER
in English 3 Jul 89 pp 1, 10*

[Text] The prices of essential commodities recorded 33.66 percent rise during June, 1988 to June, 1989, according to a random survey conducted by the Consumers' Association of Bangladesh (CAB). The survey revealed that during the same period the cost of living also recorded a rise by 37.50 percent.

The CAB survey showed that the price of rice increased by 11.63 percent, atta and flour by 6.26 percent, pulses by 41.62 percent, edible oil by 14.75 percent, spices by 23.61 percent, vegetables by 58.72 percent, meat by 24.18 percent, egg by 37.05 percent, milk products by 22.89 percent, fish by 72.10 percent and other commodities by 24.38 percent.

It is further revealed one kg of finer variety of aman rice was available at Taka 13.25 in June, 1988 while the same was sold at Taka 14.12 in June, 1989 showing 6.55 percent rise in the price. The medium variety of aman was sold at taka 12.25 in June 1988 while the same was selling Taka 13.25 in June this year recording a rise by 8.16 percent. The coarse variety of aman was available at Taka 12.13 per kg as against Taka 10.13 in June 1988.

Paijam, a largely used rice was selling at Taka 11.50 per kg in June 1988 while the same was sold at Taka 13.13 in June 1989. IRRI was available at Taka 11.50 per kg as against Taka 10.50 in the preceding year.

Atta, flour and suji were selling at Taka 8.25, Taka 10, and Taka 15 per kg respectively in the month of June 1988 while these commodities were available at Taka 8.25, Taka 11 and Taka 16 respectively during June, 1989 showing a rise by 3.03 percent, 10.00 percent and 6.66 percent.

Country's External Loan Burden Reported To Rise

*46001549 Dhaka THE NEW NATION
in English 12 Jul 89 pp 1, 8*

[Article by Moazzem Hossain: "Per Capita External Loan Burden 91 Dollars"]

[Text] Bangladesh's outstanding external loans stood at about 10.20 billion US dollars at the close of the fiscal 1988-89.

This meant a per capita external loan burden of about 91 dollars on June 30 last with the population now officially estimated at 109.50 million.

Though on the rise, Bangladesh's long-term external public and publicly-guaranteed debt however is still lower than the neighbouring countries in South Asia and also many other developing countries outside this region. The outstanding external debt of India was 37.32 billion dollars and that of Pakistan, 13.15 billion dollars in 1987, the latest Annual Report (1988) of Asian Development Bank (ADB) showed.

Meanwhile, with grant component in the total external aid disbursements now being lower in percentage terms than what it was in the years immediately after independence, the amount of external loan liability has been on a steady rise.

In the early seventies, grants accounted for over 85 percent of the total disbursed amount of external assistance. The share of the same has now reduced to less than 50 percent of total external aid.

External loans have, on the other hand, been rising, now comprising over 50 percent of foreign assistance disbursed to Bangladesh. In the total aid package of about 1580 million dollars disbursed in 1988-89, foreign loans with future debt servicing liability thereon amounted to 819 million dollars—51.80 percent of the total disbursed amount. The grant component in the related aid package for the year stood at 762 million dollars—48.20 percent of the total disbursement.

Over the last four years (1985-89), Bangladesh has borrowed external funds in the form of Medium and Long Term (M<) loans, from both bilateral and multilateral sources, to the tune of 3.3 billion dollars, giving an annual average of 832 million dollars. External grants without entailing any debt servicing liability totalled 2.77 billion dollars during the same period, the annual average amount being 693 million dollars.

With more loans and less grants in the external aid package, the outstanding amount of M< debt burden has thus been increasing every year at the rate of 832 million dollars an average at the current level of loan disbursement operations.

The country's M< external loans are mostly soft term ones, carrying an average annual interest rate of 1.5 percent with a repayment period of 39 years and a grace period of ten years. Nonetheless, the external debt servicing liability has been on the rise over the years and will continue to be so with an accelerated spree as more and more external loans become mature for repayment with the passage of time.

External debt servicing inclusive of both repayment of the principal amount of M< loans and payments of interest on accrued loan liability will involve a total amount of Taka 1198 crores in 1989-90. This amount will include Taka 690 crore as repayments of the principal amount of foreign debt and Taka 508 crore as interest payments on external loans. In 1988-89, external debt servicing under the revised budget for the year amounted to Taka 1098 crore, inclusive of Taka 615 crore as repayment of the principal amount of loans and Taka 483 crore as interest payments on external loans.

Over the recent years, the external debt servicing liability for M< loans registered a phenomenal surge despite debt relief measures announced by a number of external donors. In 1986-87, such liabilities amounted to 232.8 million dollars (81 million dollars as interest payments and 151.7 million dollars as repayments of the principal amount). The amount rose to 289 million dollars (123 million dollars as interest payments and 166 million dollars as repayments of the principal amount) in 1987-88 and then again to 394 million dollars (174 million dollars as interest payments and 220 million dollars as repayment of the principal amount) in 1988-89.

The country's external debt servicing payments started in 1973-74 when only an amount of 17.5 million dollars in all was involved to foot the related bill. Payments for external debt servicing rose to 108 million dollars in

1979-80. Since 1982-83, the bill on account of foreign debt servicing has been on a steady rise, being almost three-fold in 1988-89 of what it was in the early eighties.

Besides the M< debt servicing, Bangladesh has taken recourse to short-term external borrowings from time to time to procure imported foodgrains, crude oil, aeroplanes and ships. The short-term borrowings also included operations with International Monetary Fund (IMF). The total external debt servicing liability (including both M< loans and short-term borrowings) stood at 578.4 million dollars in 1988-89 compared to 528.3 million dollars in 1987-88.

Meanwhile, the debt service ratio on account of M< loans rose from 24.37 percent of total export earnings of the country in 1987-88 to 30.90 percent in 1988-89. Debt service as a percentage of receipts from exports of goods and services and private transfers including remittance stood at 16.31 in 1988-89 compared to 12.65 in 1987-88. The growth in debt servicing payments, outstripping the growth in exports remittances etc, accounted for the rise of debt service ratio reflecting a disconcerting situation in external debt management operations.

Inclusive of short-term borrowings, total external debt service ratio stood at 45.36 percent of export earnings in 1988-89 as compared to 42.92 percent in 1987-88. The same ratio in relation to total receipts from exports of goods and services and private transfers was 23.95 percent in 1988-89 as against 23.13 percent in 1987-88.

Under an earlier projection made in the Policy Framework Paper in connection with the IMF's support operations under Structural Adjustment Programme. The country's external debt service is projected at 65.2 million dollars in 1989-90 and 703 million dollars in 1989-90 and 703 million dollars in 1989-90. It was estimated in the Paper that 2.8 percent of Bangladesh's Gross Domestic Product (GDP) representing the aggregate value of goods and services produced in the economy, would be involved in external debt service in 1990-91. This estimate was however, based on the projected GDP growth rate at 5.8 percent in 1989-90 and 4.8 percent in 1990-91. A slower growth rate of GDP than the projected one would, however, mean that a higher percentage of the GDP would be involved in meeting external debt servicing needs.

Report on Flood Control Implementation Summarized

*46001546 Dhaka THE BANGLADESH OBSERVER
in English 5 Jul 89 pp 1, 10*

[Article: "Flood Control Project Needs About \$10b"]

[Text] The implementation of Bangladesh's flood control project, suggested in the report jointly prepared by the French and local experts, requires about 10 billion US dollars.

The period of implementation of the entire project is 20 years. This, however, could be reduced to five years or extended up to 25 years according to the strategy to be adopted.

The implementation of the first phase lasting five to eight years, may be carried out simultaneously with work of urgent nature. The rehabilitation, reconstruction, reinforcement of the existing structures, and protection of important towns have been defined as work of urgent type.

The report has suggested to start the project in late 1992. The feasibility and detailed studies will require less than two and half years, the report said.

The objective of the French-Bangladesh study is to provide guidelines for the formulation of a rational land-use policy allowing protection of areas, which are most vulnerable. The study is considered as a first step toward establishment of such a system which should be gradually institutionalised and incorporated within legal framework.

The priority areas foreseen for flood protection include protection of human lives, protection of economic resources, upgrading of agricultural potential hitherto suppressed due to regular flooding and initiation of development to the non-agricultural sector so long hampered by flooding.

The first priority for protection is given to densely populated areas including major towns or areas where major industries located in zones with flood depths of more than 1.8 metre in the event of a 20-year flood. The second priority is given to areas with medium population density, again in zones of more than 1.8 metre in case of a 20-year flood. Densely populated areas including major towns or areas with major industries in Zones with flood depths of up to 1.8 has been given third priority.

The areas falling on the banks of the Jamuna, the Ganges, the Padma and the Meghna from Bhairab Bazar to Chandpur have been identified as first priority areas.

The over-all plan under project proposal is to construct the following features for flood control works: embankment on both banks of the Teesta river from the border to its outfall into the Jamuna river. Embankment on both banks of the Dharla river from the border to its confluence with the Ganges River, embankment on both banks of the Ganges river from the international boundary up to its confluence with the Jamuna river. Other rivers which have been suggested for embankment include both banks of the Padma from the confluence of the Jamuna-Ganges up to its confluence with the Meghna. Meghna river from Bhairab Bazar railway bridge up to the south of Chandpur on the left Bank and also up to the north of Barisal on the right bank. Embankment of both banks of the old Brahmaputra from its offtake up to Mymensingh and both banks of the Dhaleswari, Buriganga, Atrai, Karatoa, Kangsa, Titas, Gumti rivers and the Arial Khan. The Offtakes of the

main distributaries that is Old Brahmaputra, Dhaleswari Gorai and Arial Khan will, however, remain open to alleviate the flood level, it suggested.

27 Zones

Embankments associated with existing levels divide the protected areas into 27 zones. The joint study has proposed to drain three of them by gravity hydraulic structures and to drain and other 24 zone by a combination of gravity hydraulic structures and pumping stations at 36 locations. The total pumping capacity has been estimated at 4260 cusecs and the existing pumping stations will be incorporated in the proposed overall drainage plan.

Initially, the proposal is to protect 18 main towns against floods and river training works have been considered in some alternatives.

The total length of the main embankments is about 3,350 km. of which 1,050 km of existing embankments to be reinforced. The length of the secondary lower dykes, when planned, totals about 665 km.

The problem of efficient operation and maintenance remain an outstanding issue in Bangladesh. The maintenance of existing schemes has been badly neglected due to lack of funds provided by the current expenditure budget of the government, the study said. Guarantees will be required for the implementation of procedures ensuring allocation and effective use of adequate funds for operation and maintenance of proposed projects. Such operation and maintenance cost of embankments and river training works would be to the tune of US dollars 50 million by the year 2000 annually.

Former Police Official Inaugurates New Political Party

46001550 Dhaka *THE NEW NATION* in English
27 Jun 89 p 8

[Article: "New Political Party Floated"]

[Text] A new political party, "Bangladesh Gana Prajatantri Party" was formally launched yesterday with Mr Abdul Khaleque, a former Secretary and Inspector General of Police, as its chairman.

Narrating the objectives of the party at a press conference at the National Press Club the former police officer-turned-politician told the newsmen that his party would fight for establishing parliamentary system of government.

Mr Khaleque pointed out that the Awami League government could not fulfill the hopes and aspirations of the people.

He also termed BNP [Bangladesh Nationalist Party] regime as 'corrupt.'

S&T Task Force Established

46001555 Dhaka THE BANGLADESH OBSERVER
in English 23 Jun 89 p 7

[Article: "Task Force for Technology, Science Formed"]

[Text] A task force was constituted on Wednesday to formulate a working plan for attaining the target investment of 1.1 percent of the national income in the field of science and technology was announced earlier by President Ershad, reports BSS.

The task force to be headed by Prof. M. H. Khan, Vice-Chancellor of Bangladesh University of Engineering and Technology (BUET) includes Prof. Shamsher Alai of Dhaka University Prof. Nural Islam of BUET and one Joint Secretary each from the Finance Ministry and Science and Technology Division.

The task force was constituted at a high power meeting at the conference room of Science and Technology Division of the Education Ministry with Education Minister Sheikh Shahidul Islam in the chair.

The meeting was addressed by Mr. Ahmed Faird, Secretary of the Science and Technology Division and Prof. Shamsher Ali of the Dhaka University. Addressing the meeting the Education Minister stressed the need for integrated effort in the field of science and technology so that the country was developed in the least possible time. He called upon the scientists and officials to put in their effective and fruitful efforts in attaining the objective.

President Ershad always puts emphasis on the development of science and technology Sheikh Shahid said and added that it was reflected in bringing Bangladesh Science and Industrial Research Council and Bangladesh Atomic Energy Commission under the administrative control of Science and Technology Division.

INDIA**Excerpts From Gandhi Interview With French Weekly**

46001571 Madras THE HINDU in English
14 Jul 89 p 7

[Article by K. K. Katyal: "India Not Making Nuclear Bomb: PM"]

[Text] Paris, July 13—The Prime Minister, Mr. Rajiv Gandhi, discussed India's relations with Pakistan and China, and touched upon the nuclear bomb, economic and political issues in an interview with the French weekly LE POINT.

Here are his replies to some of the questions:

[LE POINT] I want to ask you some questions about Pakistan. Do you think there is a new climate of cooperation or slackening with Pakistan?

[Gandi] We have never seen Pakistan as a rival power. We have seen them as a problem in the West, but nothing more than that. I feel that with Prime Minister, Ms. Bhutto, we have, for the first time in 11 to 12 years, an opportunity to solve the problems. We found it very difficult to deal with the military dictatorship. I feel that we can talk with a democratically-elected Government. We have made some progress. We understand her problems at home. We are also going ahead for elections. I believe she understands our constraints. But, in spite of this, I believe that we are moving forward.

[LE POINT] Since your visit to Pakistan, since your meeting with Ms. Benazir Bhutto do you think that it is possible to have more cooperation?

[Gandi] I believe so. I believe that my visit went off very well. I found her attitude very positive. Perhaps it is a generation gap that was there earlier and we are now of the same generation. We can relate to each other, we can talk more freely. I found that we could look at problems more objectively, rather than taking positions which we were taking earlier and always being on guard. This helps in finding solutions.

[LE POINT] On the military side don't you think that Pakistan's weapons are still a problem?

[Gandhi] That is one of our biggest problems. We have now clear indication that their programme is continuing. There has been no let down in the speed of the programme. Some recent information indicates that they have not got so far. We believe that it is a very dangerous precedent. The last thing we want is a nuclear arms race in South Asia as if it is going to cause a lot of problems. That is why we have presented a very comprehensive action plan for disarmament to the United Nations special session on disarmament.

[LE POINT] But if India can produce a bomb, why not Pakistan?

[Gandhi] We have not done it and we don't intend to do it. But you must understand that there are some basic differences. Pakistan's is perhaps the only nuclear weapon programme in the world which is entirely military controlled. All the establishments are military controlled. It is not open to audit, it is not open to questioning by Parliament. We have invited the Pakistani nuclear engineers to our nuclear establishments without hesitation.

[LE POINT] What would be India's answer to such a threat?

[Gandhi] If we push the button for a nuclear weapon programme, of course we can produce a nuclear weapon. But, we are the only country which has shown that it has the capability to produce a bomb, but has refrained from producing a bomb. I do not think there are any other countries, which have given such an example.

[LE POINT] So, there is no decision to build the nuclear bomb?

[Gandhi] We are not building a bomb, it is very clear. And some of our high-tech weapons that we are trying to make, are really to avoid making a bomb.

[LE POINT] And on the major equipment, don't you think there is a degree of dependence of the Indian Army on the USSR, and it is a threat for the independence of India?

[Gandhi] Well, that is not completely true. We have a lot of Soviet equipment but we have a lot of British equipment, we have a lot of French equipment, we have a lot of Swedish equipment, we have a lot of West Germany equipment.

A Complete Mix

[LE POINT] But the most important part is Soviet Union's?

[Gandhi] No, I don't think so. Look at the Army. Our guns are Swedish, our tanks are Soviet, our rifles are Belgian made in India, our missiles are French. In the Navy, our frigates are Indian, our naval aircraft are British, our torpedoes are Italian; it is a complete mix. Our ships are British also. Our Navy missiles are British and Soviet. So, it is a complete mix. I don't think you could say that any one area of the Indian military is totally dependent on any one country, even the most sort of glamorous as aircraft. Although we have the MIG-29s and the MIG-27s, we also have the Mirage-2000s. Now, we are going in for the indigenous LCA (Light Combat Aircraft).

[LE POINT] Do you intend to continue or diversify the military equipment?

[Gandhi] We want to continue that. We have certain problems. The French equipment is so expensive.

Punjab Problem

[LE POINT] Do you think the problem in Punjab is solved now?

[Gandhi] No, the problem is not solved. Terrorism continues. Like I said, what we have managed, is to break the religious linkage and there is no sort of theological backing to the terrorists. They are out of the holy places and this has been a major success. But terrorism has not ended and we have to fight this. One of the problems is that there is still a lot of assistance coming from across the border.

[LE POINT] From Pakistan?

[Gandhi] Yes, Also from some other countries. We have got an assurance from Prime Minister Bhutto that she will take action. And she has taken certain actions, but it has not really reduced the influx of weapons that are coming, or the financial support that they are getting from across the border.

Situation in China

[LE POINT] About China, what is your assessment of the present situation in China and do you think it will affect the relations between China and India?

[Gandhi] Well, first we do not feel that such problems can have hard military solutions. We have seen from our own experience and from the experience of other countries that political problems can only be solved politically. Military solutions are transient at best and can only buy time. Non-violence is the only way out. We have been very sad by what has happened, but we believe that it is for the Chinese to work out how they want to run their system and it is not for us to interfere in that.

[LE POINT] What is the impact in the matter of cooperation..?

[Gandhi] Well, our relations have been so difficult all these years. We are just opening out from the last December after my visit. We are still watching very cautiously how things will go. What is very important for us, is our border with China. And we wouldn't like a solution to the border to be affected in any way with what happens inside China or with any external development. We feel that for both China and India and perhaps even globally, a solution to our border problem is very important.

[LE POINT] To come back to our priorities, economic priorities for development; which are these?...also the birth control, is it critical...?

[Gandhi] Well, birth control is one of the most critical things. But the problem with birth control is how do you go about doing it. We have found that the traditional formulas for reducing the birth rate only work to a point and then they don't work. What you need beyond that is economic development. As long as the poverty levels are very high, birth control just is not effective. You need female literacy, female education. These, we found, are the two critical areas to reduce birth rate and we are concentrating very much on both.

Mobilising Resources

Going back to the larger economic problem, I feel our biggest problem is mobilising our greatest resource, our human resource. We have started doing that and as that gets sort of fully mobilised and the energies released, we will be able to have very high growth rates in the economic areas. We have shown just in these past few years, what sort of inherent energies there are in our system. Industrial growth has shown that, the agricultural growth has shown that, the growth in the middle class has shown that. Perhaps one of the best indicators is the increase in our exports. We started pushing exports about two years ago, about two and a half years ago and the first year which was about half a year, we grew at 17 percent, then 25 percent, then 30 percent every year. So, that shows the type of energies that there are in the system, provided we don't shackle them and we let them loose.

Positive Process

[LE POINT] About Cambodia, India is playing a role appreciated by many other countries. Do you want to continue especially with the international conference next month?

[Gandhi] We would like to continue. We believe that we have contributed to the process as it is developing. We believe the process is positive and it will give results. I am optimistic that it will come through in spite of the ups and downs.

[LE POINT] What is your personal appreciation of power after five years? Is it hard...?

[Gandhi] No. I have never felt that I have power. I think that is what has made me cope with it. I have never used my position in a manner of using power. I have always tried to carry people with me, to get people to do things rather than force things down.

[LE POINT] But you are the head of a very big country of 800 million and also a military power?

[Gandhi] I wouldn't call India a military power. We don't want to be a military power and I don't think the world needs military powers. That is what is really much more important. I have always tried to have a positive outlook; that is why we have been able to solve problems as difficult as with Pakistan, even on very complicated areas we have made progress.

Gandhi Defends Local Bodies Legislation

*46001582 Bombay THE TIMES OF INDIA
in English 8 Jul 89 p 1*

[Excerpt] New Delhi, July 7—The Prime Minister, Mr. Rajiv Gandhi, today stoutly defended the government's resolve to amend the constitution to give urban local bodies more administrative and financial powers.

He declared that this was being done "not because we wish to infringe on the states' rights, but because local self-government requires the same constitutional sanctity as the constitution assures to the Union Parliament and to the state assemblies."

Mr Gandhi was addressing the conference of chief ministers on urban local bodies, the last exercise before the introduction of a bill on the subject along the lines of the panchayati raj bill in the forthcoming Parliament session.

The chief ministers of the opposition-ruled states, except for Jammu and Kashmir and Sikkim, boycotted the conference.

Mr Gandhi asserted that this was not a dispute over the Centre's jurisdiction and the rights of the states was sought to be made out by some.

"This is an issue for confrontation between the people and the vested interest," he said. He noted that the government had demonstrated through the panchayati

raj bill that it was "scrupulously adhering to the basic structure of the constitution." It has been most solicitous of the rights and privileges which the constitution conferred upon the states.

"We have not touched entry 5 of the state list. We have not sought to transfer local self-government from the state list to the [word indistinct] list or the Central list. We have not attempted any Central municipal legislation on the subject.

"The process of implementing the constitutional provisions rests with the state legislatures and the state governments. The panchayati raj bill seeks only to set the constitutional stage for action by the state authorities. Our proposed bill on the urban local bodies will attempt no more," Mr Gandhi declared.

PTI adds: Mr Gandhi also called for the devolution of funds from the Central revenues to the urban bodies, either through the agency of the state governments or in some special cases, even directly to the municipal bodies.

The Prime Minister indicated that a refinancing body might be set up for urban areas similar to the National Bank for Agriculture and Rural Development (NABARD).

The government, he said, would also like to strengthen the access of municipalities to the commercial banking network. There was the capital market to which the urban bodies might seek access, he said.

Mr Gandhi also regretted that the chief ministers of opposition-ruled states had stayed away from the meeting.

The Prime Minister said municipal finances all across the country were in an unmitigated mess. "Nothing would be more disastrous than devolving political power to elected members of municipalities without simultaneously devolving fiscal responsibility on them" he said.

The government, Mr Gandhi said, was working on a carefully structured urban poverty alleviation programme which would reach out to the poor of urban India without provoking a flood into the towns and cities of the rural needy.

Expressing concern about the [word indistinct] of the district and [word indistinct] bureaucracy to the changes being contemplated, Mr Gandhi hoped the chief ministers would pay particular attention to the need for training and orientation programmes to assist the bureaucracy in effecting a smooth transition to the new system.

Expressing the government's resolve to have reservations for scheduled castes and scheduled tribes and women in all local bodies, he said, "We cannot be shaken from our resolve to ensure constitutional authority for the devolution of administrative powers and real fiscal responsibility to these bodies. For the rest we are open-minded."

"This was an issue between our commitment to power to the people and the determination of the feudal and capitalist interests to retain power," Mr Gandhi said.

Stressing the need for striking a balance between retention of talent in the villages and strengthening the urban settlements through new enterprise, Mr Gandhi said, "The right balance can be struck only when we break away from the colonial pattern. We must ensure civic amenities through panchayats in rural India and development functions through municipalities in urban areas."

For urban India, the Prime Minister sought the advice of the chief ministers on how to bring maximum democracy and maximum devolution to the doorstep of the urban local bodies.

Mr Gandhi said planning for the rural areas of a district without taking into account the linkages between these rural areas, and the nagar panchayats or urban municipalities constituted a disservice to both. [passage omitted]

India Gets Wide Support in Stand Against U.S. 301

46001579 Calcutta THE TELEGRAPH
in English 10 Jul 89 p 9

[Text] New Delhi, July 9 (PTI)—India has successfully mobilised wide support for its stand against the US Super 301, which categorises India for unfair trade practices under the provisions of its Omnibus Trade Act, 1988, the commerce minister, Mr Dinesh Singh, has said.

Mr Singh said the Indian stand has been supported among others, by the EEC, Mexico, Uruguay, Finland, Australia, Malaysia, Yugoslavia and Canada.

India is always willing to have dialogue to promote trade and have a number of joint commissions with countries, including the United States, in which such matters can be discussed bilaterally, he added.

"But we are not prepared to discuss anything under threat of retaliation," he noted.

Mar Singh said the 301 was an American law and did not have any international sanction. He said the US action was "purely unilateral," and, therefore, India was "not willing to discuss it under these conditions."

Moreover, India feels that when multilateral negotiations are going on in the GATT under the Uruguay Round, it is not possible to engage in bilateral negotiations on issues which are being multilaterally negotiated.

India's another objection was that the 301 gave the US a right to take bilateral action unilaterally, even on issues on which Washington would otherwise make unilateral commitments.

European Market

Asked about the one Europe in 1992 and the problems it would bring for Indian exporters, Mr Singh said, "One Europe will create certain difficulties." There will be both "visible restrictions" and "invisible restrictions," he added.

The visible restrictions would be dealt with at the multilateral fora, like the GATT, he said. The invisible restrictions would result from the integration of the economies of member countries and a natural desire among them for consolidation of production and distribution. This would place all outsiders at a disadvantage, he felt.

India was also studying the situation and the Prime Minister, Mr Rajiv Gandhi, had set up a committee of five Indian ambassadors of West Europe to go into the matter. The committee had submitted its report, which was now being studied, he informed.

The commerce minister stated that the government was committed to helping the Indian exporters, but they would also have to see that their goods met the quality and other standards required by the European market. In this connection, he mentioned, joint ventures with European firms on packaging of commodities like tea and coffee, would help exporters.

Mr Singh said the recent expiry of the International Coffee Agreement would give India an opportunity to export more due to suspension of quotas. India in the past did not have a large quota.

Trade Centres

India was proposing to set up international trade centres in Europe and elsewhere to promote trade for both the public and private sectors. These centres would have facilities for meetings, exhibitions and would supply information to both Indian exporters and the European buyers, he said.

The existing centre in Brussels was being enlarged and new ones were proposed to be opened in London and Moscow.

The Centres will be run by the government in cooperation with the private sector. The Indian trade centre being set up in the Soviet Union would have a three-way arrangement among the governments of India and the Soviet Union and a private party, he said.

Asked if the government was planning to provide more facilities to the bigger export houses, Mr Singh said, "The number of export houses and trading houses have grown ... to encourage them to grow more, the government is thinking of providing more facilities to those who grow more rapidly. But they will only get facilities, not concessions."

Reacting to a complaint against big houses that they were not contributing to exports as much as they could, Mr Singh said, "They are becoming aware of their responsibility."

Officials Deny Commitment to U.S. Super Collider Project

46001572 Madras *THE HINDU* in English
14 Jul 89 p 6

[Article: "Commitment to U.S. Project Denied"]

[Text] New Delhi, July 13—The controversial issue of Indian participation in the \$4.4 billions Superconducting Super Collider (SSC) project of the U.S. has surfaced again with the sanction of \$110 millions by the house of Representatives on June 28 to begin building the giant particle accelerator which is due for completion in the nineties.

The House has also authorised additional \$90 millions for continued research and development on the 25 km. diameter circular machine where counter-rotating proton beams, with very high energies of 20 trillion electron volt (TeV) each, will be made to collide head-on. The total amount of \$200 millions is \$50 millions less than what the U.S. Department of Energy (DoE) had requested for and even this budgeted amount needs the final Senate approval. Money for the SSC had been proposed in the budget for the last three years but it never got through the Congress.

A contributing factor for the success this year has been the assurance given by the U.S. Energy Secretary Mr. James Watkins to the Chairman of the Appropriations Subcommittee on the non-federal contribution, to the extent of one-third of the cost, and foreign participation in cash and kind for the project. While most of the non-federal contribution is expected from Texas, as regards foreign participation, the American Physical Society, in its bulletin of March 10, and Mr. James Decker of the DoE, in his testimony to the House Subcommittee, have stated that the only formal promise, with a number attached, is for 50 million 'in kind' contribution from India.

No project report: But Indian officials have maintained that no firm commitment has ever been made by India. At a press conference on Tuesday, Mr. K. R. Narayanan, Minister of State for Science and Technology, reiterated this saying: "As I have stated twice in Parliament we have never made any formal commitment in figures. We would like our scientists to participate in such an advanced experiment and our scientists are also interested in contributing. If someone has unofficially worked out the money equivalent, I am not aware of it." He also said that there was no project report on possible areas of Indian collaboration.

According to the Department of Science and Technology (DST) too, after the initial proposal for Indian participation, which will be under the aegis of the Indo-US

Science and Technology Initiative (STI), further discussions on the subject are being handled by Dr. P. K. Lyengar, Director, Bhabha Atomic Research Centre (BARC). Dr. J. Dhar of the DST said that, while the idea of participation existed as in principle, there was yet no decision on the nature of collaboration and the level of financial contribution. However, he said that a top U.S. high energy physicist had come to Delhi and Bombay early this year and he was not aware of what transpired between him and Prof. M. G. K. Menon, who had made the first public pronouncement of the Indian contribution of 50 millions, and other physicists of Bombay. Further he said that it was known that the U.S. Congressmen made unilateral statements on issues concerning India.

Identified areas: According to the SSC project authorities, however, a small working group consisting of scientists from both the U.S. and India will be set up to make recommendations on collaboration. The possible areas identified are: overall system design, development and production of subsystems and components and RF and high vacuum equipment. They said that the Indian team would have to visit the central design group in the U.S. and participate in the ongoing work. They estimate a period of six to nine months for defining specific collaboration possibilities. In the coming conference on SSC design and experiments, Prof. P. K. Malhotra of the TIFR has been made part of the organising committee.

But this strange 'not-in-cash-but-in-kind-contribution' concept has not been taken very kindly to by the Texas politicians. The Texas Democrats say that "Texas is not putting up a billion dollars to create jobs in India". They have begun to call the SSC the 'Super Provider'. To make sure that things do not get out of hand, Mr. Ralph Hall, a Democrat, has introduced 'the SSC Non-Federal Contribution Act' to cap the foreign share at 30 percent of the total. The Hall Bill also limits the eligibility for SSC contracts to firms in the U.S. or in countries that are substantial contributors to the project, and prohibits more than 50 percent of any major component from being manufactured in any foreign country.

Apart from India, Japan and South Korea have proposed to collaborate but, unlike India, they are awaiting an unequivocal decision from Congress while Congress had been reluctant to proceed without firm foreign commitments. Now that the Congress decision has come through it is to be seen what Japan and Korea have to offer. If what the Indian officials say is true, India has been used by the SSC lobby among the U.S. physicists to extract the funding from the U.S. Congress.

Foreign Secretary Reports on Sino-Indian Talks

46001581 Bombay *THE TIMES OF INDIA*
in English 9 Jul 89 p 1

[Article: "Sino-Indian Talks Positive"]

[Text] New Delhi, July 8 (UNI)—India and China have expressed their firm determination for an "early settlement" of the complex border question. They have also

decided to take concrete steps to diversify and expand trade and cultural, scientific and technical exchanges.

Official sources said today that these decisions and new "confidence-building arrangements" were finalised to push the process of normalisation of relations between the two countries at the just-concluded first meeting of the Sino-Indian joint working group on the border problem.

The foreign secretary, Mr S. K. Singh, returned here yesterday from Beijing "fully satisfied" with the outcome of his talks.

The sources said the two sides agreed that stress would be laid "not on resurrecting the past, but on looking to the future in a practical, realistic and workmanlike manner."

Mr Singh was assisted in his wide-ranging talks by the finance secretary, Mr Gopi Arora.

The sources said that the Chinese side appreciated the fresh efforts being made by the Prime Ministers, Mr Rajiv Gandhi and Ms Benazir Bhutto, to build new bridges of understanding and end the era of distrust and hostility between India and Pakistan.

The process India and China had initiated for an early settlement of the border question would "contribute to all round development of friendly relations between them and will necessitate frequent contacts at various levels."

However, the sources added that a favourable atmosphere needed to be created before the two countries could go far to resolve the complex border question. But without mincing words the two sides expressed their "determination to maintain peace and tranquility in all sectors of the Sino-Indian border pending a final settlement."

Mr Singh, besides holding talks with his Chinese counterpart, the vice-foreign minister, Mr Liu Shu Quin, also met the foreign minister, Mr Quian Quichen and the prime minister, Mr Li Peng.

The Chinese media which gave wide coverage to the talks described them as "friendly, frank and sincere". This is the first time the Chinese have used the expression "sincere".

When Mr Singh conveyed to Mr Li Peng a message of greetings from Mr Gandhi, the Chinese Prime Minister remarked that "India and China hold significant responsibility for stability in Asia". Mr Li Peng told Mr Singh that "improvement in Sino-Indian relations was important not only for Asia but for world peace and stability".

The second meeting of the joint working group, formed during Mr Gandhi's visit to Beijing last December, will be held some time next year in New Delhi.

The working group discussed ways and means to preserve peace and tranquility in border areas.

Indo-Pakistan Military Talks End; No Details Given

46001573 Madras *THE HINDU* in English
12 Jul 89 p 1

[Article: "Panel To Fix Siachen Positions"]

[Text] New Delhi, July 11—The discussions between the Army delegations of India and Pakistan concluded today after three sessions spanning two days. The Defence Ministry spokesman declined to give details of the discussions noting only that they were held in a "cordial and friendly" atmosphere and that the two delegations would now report on the outcome of the discussions to their respective Governments.

However, it is believed that the discussions resulted in an agreement to set up a joint commission to mark the ground positions, now occupied by the two forces in the Siachen region.

The Indian delegation, led by the Director-General (Military Operations), Lt. Gen. V. K. Singh and the Pakistani delegation led by Director-General Joint Staffs (Hq.), Lt. Gen. Iftiaz Warraich, were enjoined by the agreement arrived at during the Islamabad talks between the Defence Secretaries of the two countries to work out a plan for the withdrawal of the forces from the Siachen glacier area.

As part of the overall package, the first step in the plan was to record the Line of Control prevailing in the area. Following this the two sides will withdraw to mutually acceptable positions to demilitarise the glacier and simultaneously talk, probably at a higher level, will be held to extend the demarcated Line of Control in Jammu and Kashmir beyond NJ 9842 to cover the Siachen area as well.

During their talks, the two sides discussed the militarily acceptable positions that the two sides will withdraw to after the joint commission completes the work of recording the existing Line of Control. This task poses considerable difficulties given the nature of the terrain. Local commanders will have to take up the task along with the specialised surveyors.

The Pakistani delegation accompanied by the Pakistan Ambassador to India, Mr. Niaz Naik, also called on the Defence Secretary, Mr. Naresh Chandra today.

F-16 Sale to Pakistan Overrules Indian Objections

46001578 Madras *THE HINDU* in English
13 Jul 89 p 1

[Article by R. Chakrapani: "Congress Notified on F-16 Sale to Pak."]

[Text] Washington, July 12—The U.S. President, Mr. George Bush, has consented to Pakistan's request for the purchase of 60 F-16 long-range fighter bombers to bolster its Air Force.

The request was initially made by the Zia Administration and subsequently renewed by the Government of Ms. Benazir Bhutto, who also pressed the request in person when she met Mr. Bush in early June. She received assurances that the request will be met.

Mr. Bush's clearance is also an indication that he will issue the presidential certification under the Pressler Amendment that Pakistan does not possess a nuclear device. The certification is necessary if Pakistan is to receive military and economic assistance from the U.S., and will have to be made before October 31.

The Defence Department made the announcement yesterday that the U.S. Congress had been notified of the intended sale of 60 of the aircraft as requested by Islamabad.

According to the Pentagon notification to Congress, Pakistan will also receive ten spare F-100-PW-220-mm-engines that power the plane, tools and spare parts, support equipment and ferry services.

The estimated cost is \$1.5 billions. The bulk of the cost will be met by the U.S. from the \$4.02 billions military and security related economic assistance programme which is already in place.

Objections over-ruled: In making the decision to meeting Pakistan's request for F-16 A/B aircraft, the Bush Administration has over-ruled Indian objections. Pakistan has already some 40 of these planes in its bomber fleet and the new sales will raise the strength to 100.

The delivery schedule for the planes has not yet been settled but the U.S. Air Force authorities will decide this in consultation with their Pakistani counterparts. But the sale could be proceeded with, only if the U.S. Congress clears the administration's request.

A tough fight is anticipated in Congress where some of the nuclear non-proliferation champions, like Senator John Glenn and Senator Alan Cranston will insist that Pakistan agrees to open up its nuclear activities to appropriate inspection. Senator Daniel Patrick Moynihan had also expressed his concern that the sale could trigger an arms race in the subcontinent.

Congress has now 30 working days to approve the sale. "If they object to the sale, we will not go ahead," said a Pentagon official.

Familiar claim: The Pentagon notification to Congress makes the familiar claim that their sale to Pakistan with support equipment "will not alter the basic military balance in the region."

It also justifies the sales saying, "Pakistan needs these F-16 A/B aircraft to replace older aircraft being retired from service, maintain a continuous air defence capability within its sovereign territorial boundaries and provide for operational contingencies."

PTI, UNI, Reuter report:

Arms race: India's objection is based on fears that the sale would renew arms race in the subcontinent, but White House apparently waited for the Defence Minister, Mr. K. C. Pant to conclude his U.S. visit. As such the announcement is bound to have a tremendous psychological impact on India.

Though the U.S. decision is hardly a surprise for India, Mr. Pant, during his meeting here with the Defence Secretary, Mr. Richard Cheney and the National Security Adviser, Mr. Brent Scowcroft, had objected to the timing of the deal. He argued that it would unnecessarily add to the tension in the region, particularly when India and Pakistan were trying to sort out their outstanding problems bilaterally.

India had also brought to Washington's notice the possibility of a popular demand in India for matching response to Pakistan's acquisition of sophisticated weapons, thus leading to an arms race in South Asia, which the U.S. is keen to avoid. However, the U.S. does not agree with India's view, arguing that Pakistan needs these aircraft to replace its aging fleet and that it would not affect the balance of forces.

A small minority among the Congressmen may insist on certain safeguards before agreeing to the sale. India is to go to the polls this year and they fear that the contending political parties would be vying with one another in attacking the Washington action in declaring India as an "unfair trader" under its trade law had already generated public controversy in India, they say.

The Democratic Senator, Mr. Daniel Moynihan, suggested last month that it might be time to re-think the extent of U.S. security ties with Pakistan in the wake of the Soviet withdrawal from Afghanistan. However some other U.S. lawmakers feel that the sale would signal continuing support for Pakistan's new democratic Government.

BJP To Amend Party Statutes for Elections

46001588 Calcutta THE TELEGRAPH
in English 4 Jul 89 p 4

[Text] New Delhi, July 3—The BJP [Bharatiya Janata Party] has decided to amend its party constitution in keeping with the new requirement for registration to the Election Commission. At a one-day emergent meeting of the BJP national council on July 23, the necessary amendment will be incorporated in the party constitution.

The amendment states: "The party shall bear true faith and allegiance to the Constitution of India as by law established and to the principles of socialism, secularism and democracy and will uphold the sovereignty, unity and integrity of India."

This amendment is now mandatory for every political party to apply for registration under Section 29A of the

Representation of Peoples Act and the required amendment is essential before making an application for registration.

Though the national council meeting is being called for this purpose, it will also discuss the national and international developments since the Palampur meeting last month.

RSS not communal: In a statement today, the BJP general secretary, Mr K. L. Sharma, asserted that the restrained reaction of the RSS to the recent killings in Moga showed that it was not a communal organisation.

Mr Sharma said the RSS had observed countrywide mourning after the massacre of 27 persons at an RSS shakha meeting in Moga on June 25. He added, "The RSS deserves unequivocal appreciation for observing perfect restraint despite worst provocation. While it gives positive evidence about the ultimate commitment of the RSS in preserving national unity and social amity, the event provides a slap on the face of all those who are never tired of branding RSS a communal organisation."

Mr Sharma also urged the Prime Minister "to stop pouring salt on the wounds of the people of Punjab by speaking utter falsehoods and blaming the Opposition for supporting the terrorists." He added, "It is Prime Minister Rajiv Gandhi who has been directly guiding the Punjab policy since 1984 and hence he is the only person to be held responsible for the present mess in Punjab."

The General Secretary also reiterated the oft-repeated demand for more "concrete measures" to restore lasting peace in the state. These included the immediate sealing of the Indo-Pak border through a security belt, active assistance of the Army in the sensitive border districts, a categorical declaration from the government ruling out dialogue with the terrorists, an all-party campaign in the state and a white paper on Punjab including the role of Pakistan.

Marxist-Leninist Party, Splinter Group Merge
46001591 Madras *THE HINDU* in English
23 Jul 89 p 2

[Text] Siliguri, July 22—The Communist Organisation of India (Marxist-Leninist) [COI(ML)] and Gana Sangram Oikya Committee, a splinter group of CPI(ML) [Communist Party of India-Marxist/Leninist], have merged to foster unity among Communist revolutionary forces.

Addressing a press conference here, Mr. Kanu Sanyal, general secretary of COI(ML), said the two groups recognised the urgency for unity among Communist revolutionary groups.

Mr. Anil Mukherjee, COI(ML) and Mr. Subrata Ghosh and Mr. Sudip Majumdar (GSOC) were present at the conference.

Mr. Sanyal said four COI(ML) activists were killed recently. A local COI(ML) supporter was also murdered

by CPI(M) supporters in West Dinajpur district on June 16 under the alleged instigation of a local MLA [Member of Legislative Assembly].

Mr. Sanyal said he had met the West Bengal Chief Minister, Mr. Jyoti Basu, and apprised him of the murder.

He said the CPI(M) was intolerant of its partners in the Left Front, who asserted their rights.

He said the Rajiv Gandhi Government's confrontationist policy with Nepal and Sri Lanka had alienated India's neighbours. In Sri Lanka, India's policy had superpower overtones. Any insurgency movement with India's support may build up Nepal if the present Indo-Nepal deadlock on trade and transit continues, he added.

Formal Merger of Janata Dal, Lok Dal Ratified

46001586 Bombay *THE TIMES OF INDIA*
in English 5 Jul 89 p 24

[Text] Faridabad, July 4 (UNI)—The Janata Dal today completed the legal formalities for recognition by the election commission, with its constituents—the Janata Party and the Lok Dal—formally ratifying their merger.

The erstwhile Janata Party headed by Mr Ajit Singh and the Lok Dal led by the Haryana chief minister, Mr Devi Lal, at their respective general body meetings adopted resolutions unanimously approving of the amalgamation.

The respective meetings of the two parties also adopted resolutions expressing allegiance to socialism, secularism and democracy, as required by the amended Representation of People's Act of 1951, for recognition by the election commission.

After the adoption of the resolution, the two parties met together under the banner of the Janata Dal and ratified the Dal's draft constitution.

Most of the Janata Dal stalwarts were present. They included the Dal president, Mr V.P. Singh, the Haryana chief minister, Mr Devi Lal, the secretary general, Mr Ajit Singh, the former Janata Party president, Mr Chandra Shekhar, the campaign committee chairman, Mr George Fernandez, Prof Madhu Dandavate, Mr Biju Patnaik, Mr S. Jaipal Reddy, Ms Mrinal Gore, and Mr Ram Vilas Paswan.

According to the Dal's legal advisor, Mr J.P. Goyal, though the party was already in existence de facto, today's exercise was necessary to fulfill the legal formalities.

He explained that under a supreme court ruling of 1977, any merger or major decision concerning the political parties should be ratified by the general body of their members.

Similarly, he said, the amended People's Representation Act made it obligatory for a political party to owe allegiance to socialism, secularism and democracy.

Mr Goyal said that with the general bodies of both the parties ratifying the merger, there was no hitch left in the election commission's formal recognition of the Janata Dal as a political party.

The case for its recognition and allotment of the Janata Party symbol to it is pending before the commission.

Muslim Indians Hold National Convention in New Delhi

Jul 8 Opening Session

*46001580 Bombay THE TIMES OF INDIA
in English 9 Jul '89 pp 1, 11*

[Excerpt] New Delhi, July 8 (UNI)—Amidst a boycott by a majority of Muslim members of Parliament and national political parties, the national convention of Muslim Indians today made an impassioned appeal to minorities and weaker sections to work unitedly to fight communalism and protect the secular image of the country.

Barring the Janata Party president, Mr Indubhai Patel, representatives of all parties kept away from the two-day convention, convened by Mr Shahabuddin to discuss the community's political and socioeconomic problems.

Mr Shahabuddin came down heavily on the political parties, saying "there is no national party, which regards the "oppressed, exploited and deprived social groups" as its prime concern.

Addressing a huge crowd in Mavalankar auditorium, he said, "As one of the persecuted and exploited groups, Muslims should join the struggle to protect their interests."

The Muslim League and smaller Muslim parties also kept away from the convention, but a number of prominent leaders, including Prince Anjum Qadir of the Shia community and Mr Abdul Gani Lone of the Muslim United Front were present.

More than 1,000 delegates from all over the country are taking part in the two-day convention.

Mr Shahabuddin, in his address, said Muslims were divided partly because of their false pride and hesitation to share the common burden. He criticised Muslim leaders for their hypocrisy, which had resulted in Muslims being ignored by the political parties.

Criticising the role of national parties, he said, "No party is truly national. Each has its order of priorities. The national organisation continues to be dominated by high caste or elitist people. They pay lip service to the problems of minorities and weaker sections."

Mr Shahabuddin said Muslims should protect the secular character of the country because "if it collapses, it will give way to communalism."

He said, "We are born Indians, we shall die here and rest till eternity. This is our motherland and its love is part of our faith. The service of its people is our duty."

He said Muslims formed the biggest linguistic minority in India and that adequate attention should be paid to its socioeconomic problems.

He also invited Mr Rajiv Gandhi to the convention as president of the Congress (I). Mr Gandhi however expressed his inability to attend because of some other engagement.

The Janata Dal and the Communist Party of India (CPI) did not respond to the invitation, while Mr E M S Namboodiripad of the CPI(M) [Communist Party of India-Marxist] has accused Mr Shahabuddin of doing a disservice by convening the convention. Though the meeting was called to unite the Muslims, Mr Shahabuddin was fending them off from the secular and democratic forces, the CPI(M) leader stated.

Dr Baseer Ahmed Khan, secretary of the convention, criticised the Bharatiya Janata Party (BJP) for its tirade against Mr Shahabuddin and said the BJP did not seem happy with the coming together of all secular and democratic forces to fight its fascist policies.

He claimed that the convention would provide an opportunity to Muslims to decide on their own political course of action without any interference.

Mr Indubhai Patel lauded Mr Shahabuddin for his tireless efforts to assist the minorities and weaker sections.

Earlier, during discussions, members sought grant of statutory status to the minorities commission and constitutional protection of the personal laws of religious and ethnic minorities. They also demanded the creation of a department of minorities' affairs under the direct control of the Prime Minister.

Several resolutions will be debated at the conference, including one on the formation of a new party. There are also suggestions on forming an alliance with any political party in the coming Lok Sabha elections.

Meanwhile, the Janata Dal president, Mr V. P. Singh, today responded to the invitation to attend the convention by explaining the party position on secularism and minorities.

Without stating if he would attend the meet or not, Mr Singh, in a letter to its convenor, Mr Shahabuddin, asserted that "the Janata Dal is totally committed to the secular traditions enshrined in the Indian constitution." He quoted portions from the policy document adopted by the Dal's foundation conference which spoke of eradicating communal violence "permanently," giving minorities a "due share" in the fruits of development, according the minorities commission a statutory status and organising a specially trained riot police with effective representation of minorities.

On the vexed Ram Janmabhoomi-Babri Masjid question, Mr Singh said he had made the party position "absolutely clear" in his letter to the Prime Minister on April 12 this year, that the issue be referred to a special bench of the Allahabad high court and that the court judgment should be "binding on all concerned."

More Details on Opening

46001580 Calcutta *THE SUNDAY STATESMAN*
in English 9 Jul 89 p 9

[Excerpt] July 8—The National Political Convention of Muslim Indians began here this morning with its chairman, Syed Shahabuddin, recalling the words of Maulana Abul Kalam Azad at the Ramgarh congress: "I am proud to be a Muslim and I am proud to be an Indian."

The convention, called by Mr Shahabuddin to form a pressure group of Muslim voters for the next elections, failed to draw the response he expected, however. The organizers had called Muslim politicians from all parties [as printed] and the presidents of all parties, but for the BJP [Bharatiya Janata Party], to state their policies towards the minorities. Hardly any Muslim politician of national repute heeded the call, many strongly opposing the idea of such a convention. Mr Shahabuddin could attract only one member of Parliament from Uttar Pradesh, and the only Congress(I) member present at the inaugural session was Mr F.M. Khan.

Among the party presidents, only Mr Indubhai Patel of the Janata Party, to which Mr Shahabuddin also belongs, was present.

Three other organizations which actively supported the convention were the All-India Shia Conference, the Muslim Majlis-e-Mushawrat, and the Dalit, Muslim and minority Suraksha Mahasangh, founded by Mr Hazi Mastan Mirza.

Mr Shahabuddin spoke at length about the need to keep India secular, and alleged that "majority communalism had acquired a fascist dimension." He wanted Indian Muslims to use their voters to support "secular and progressive forces." He did not mention any party, but wanted the Muslims to concentrate on those candidates who could win only with their support. "Our objective should be to create a lobby cutting across party lines."

Meanwhile, the Janata Dal president, Mr V.P. Singh, did not give any reason for staying away from the convention, but reiterated the Dal's policy towards the minorities. He said the Janata Dal stood for statutory powers to the minorities, a specially trained anti-riot police with effective representation of the minorities, non-interference in personal laws, implementation of the recommendations of the Gujral Committee on Urdu, and setting up of special courts to deal with all cases of atrocities on the minorities, weaker sections and women. He also said the Dal believed the Ayodhya dispute could be settled within the judicial system.

UNI adds: The Muslim League and smaller Muslim parties kept away from the convention, but a number of prominent leaders, including Mr Abdul Gani Lone of the Muslim United Front, were present. More than 1,000 delegates from all over the country are taking part in two-day convention. [passage omitted]

Call for New Party

46001580 Bombay *THE TIMES OF INDIA*
in English 10 Jul 89 p 1

[Text] New Delhi, July 9 (UNI)—The national political convention of Muslims today called for "the emergence of a national party based on the concept of solidarity of all deprived social groups."

A decision to this effect was taken at a two-day convention called by Mr Syed Shahabuddin, M.P., to discuss the community's political and socioeconomic problems.

The convention said the formation of such a party is a historic necessity and imperative to protect and safeguard the interests of minorities and the weaker sections of society.

Mr Shahabuddin has been authorised to take necessary steps to expedite the process.

The convention, which was attended by Prince Anjum Qadir of the Shia Conference, Mr Abdul Gani Lone of the Muslim Union Front, Prof Saifuddin Soz of the National Conference and the former minister, Mr F. H. Mohsin, said the new party should be committed to the principles of democracy, secularism and welfare of the entire population.

Its primary order should be to defend the secular order and protect constitutional rights and promote the legitimate aspirations of the minority groups at all levels.

Scheduled caste and scheduled tribes should be given full protection by the party.

The convention appealed to all sections of the people, particularly Muslims and scheduled castes, to extend full support and co-operation for the "fulfillment of this historic responsibility."

Mr Shahabuddin said the convention had authorised him to decide the future course of action regarding the coming Lok Sabha elections. He said, "We will have an alliance with such parties which consider the minorities and under-privileged" as their constituency.

The choice lay between the ruling Congress and the Janata Dal, he said. Mr Shahabuddin said several options were open, which would be discussed with various groups and leaders to form a poll strategy.

Mr Shahabuddin said there was no political party which regarded the oppressed, exploited and deprived social groups as of prime concern.

The convention stressed the need for solidarity and unity among all "religious and linguistic minorities" as well as

backward classes, which it described as "essential for maintaining the democratic, secular and socialist character of the republic."

It said the Centre had failed to defend the fundamental rights of religious and linguistic minorities and protect them against atrocities, persecution, economic discrimination and social "marginalisation."

"Secular India" is under seige by chauvinist, revivalist and fundamentalist forces, which pose a serious threat to the future of the nation.

Many speakers, while endorsing the political resolution at the convention, felt the administrative machinery had been largely infiltrated by communal elements and monopolised by a few caste groups.

Mr Shahabuddin, speaking on the political resolution, reiterated the commitment of the Muslims to building the state on the basis of the ideals of democracy and secularism. He said there was no conflict between religion and state.

In its electoral strategy resolution, the convention called upon Muslims to form consultative committees at the district level to decide on the support of the community to candidates in the coming election. It urged the national parties to give due representation to Muslim members.

The convention noted that political parties had, at the time of elections, made big promises and even signed agreements to initiate schemes for the uplift of the minorities. But these promises were never fulfilled.

Prof Soz, in his address, said the government should take steps to implement the charter of demands of the convention. He said the foremost question before Muslims was the unity and integrity of India.

Delegates expressed strong resentment over the demand for a uniform civil code, and said the Muslim personal law should be protected at all costs.

Burmese Tribes Plan Exile Government in India

46001577 Calcutta THE TELEGRAPH
in English 10 Jul 89 p 1

[Article by Santanu Ghosh: "Some Burma Tribes Plan Government-in-Exile in India"]

[Text] Silchar, July 9—A few Burmese tribal organisations, belonging to the Mizo ethnic stock, have decided to form a provisional government-in-exile in India in an apparent bid to dramatise their year-long demand for the "accession" of the bordering states of Chin and Rakhine in northwest Burma to India.

A few leaders of the semi-insurgent Burmese Zomi Liberation Front (BZLF), now camping at Churachandpur in Manipur, said the government would also seek international support for their demand. They

declined, however, to name the location from where the government would start functioning.

The mineral-rich Chin and Rakhine (also known as Arakan) states are the home of about one million Zomi tribals, a minority community perpetually at odds with the Rangoon administration. Zomi is a new generic term by which the highlanders of the Mizo ethnic stock identify themselves.

Besides the BZLF, organisations which have taken the initiative to form the government are the Burmese Zomi Students Union (BZSU) and the Chin Democratic Front (CDF). They have been recruiting cadres to begin a guerrilla war.

Mr. T. Gougin, a former Manipur minister and the "representative" of the Chin insurgents in India, told THE TELEGRAPH at Churachandpur that an invitation had also been sent to the Aizawl-based Chin National Front (CNF), led by Mr Tiakhal, a former police officer, and the Chin Democratic Front (CDF), led by Mr Chiansian Thang, a lawyer, to join the proposed government-in-exile. He said the BZLF, the BZSU and the CDF had jointly declared on November 19 last year the "secession" of the 9,000 sq km Chin Hills from Burma and its "merger" with India.

While Chin state is adjacent to Manipur and Mizoram, Rakhine is on the eastern border of Mizoram. The BZLF president, Mr Mangkhanpau, has already sent two memoranda to the Prime Minister, Mr Rajiv Gandhi, seeking the latter's "intervention" in the matter.

Mr Gougin disclosed that Mr Mangkhanpau met the Union minister of state for home, Mr Santosh Mohan Dev, in New Delhi in November last year. The meeting was arranged by the AICC(I) [All India Congress Committee-I] general secretary, Mr Oscar Fernandes, Mr Gougin, who accompanied Mr Mangkhanpau, quoted Mr Dev as having assured the Burmese leader that the Centre would respond to their request at the right time.

[Our Delhi Correspondent adds: Mr Santosh Mohan Dev, when contracted earlier this month, said, however, that he could not recollect having had any serious meeting on the subject].

Mr Mangkhanpau is understood to have told Mr Dev that administrative autonomy for the Chin areas within the Indian union would suffice for them. According to sources at Churachandpur, many Zomi activists from Chin Hills have entered Manipur recently after the Burmese military regime stepped up its vigil on the Chin parties at Haka, Tiddim and Falam towns.

National Superconductivity Body Meets, Makes Plans

46001590 Madras THE HINDU in English
28 Jul 89 p 10

[Text] New Delhi, July 27—The apex body of the national superconductivity programme meeting under

the chairmanship of the Prime Minister, Mr. Rajiv Gandhi, on July 20, approved a Rs. 15 crore outlay for 1989-90 and made projections for the Eighth Plan with an outlay of Rs. 70 crores towards research in superconductivity. The apex body accepted, in principle, the proposal for creating a national institute for superconductivity applications during the next Plan.

This was the second meeting of the apex body after it was set up in June 1987 soon after the Indian researchers achieved some measure of success in the emerging revolutionary field of high temperature superconductivity (HTSC). The 19-member high-power body reviewed the progress in the national programme as coordinated and implemented by the Programme Management Board of the Department of Science and Technology headed by Prof C.N.R. Rao, Chairman of the Science Advisory Council to the Prime Minister.

The apex body includes the Minister of Human Resource Development, Minister of Finance, the Minister of State for Science and Technology, the Finance Secretary, the Cabinet Secretary, Secretaries of the Department of Atomic Energy, the Department of Electronics, the DST [Department of Science and Technology] and the Defence R&D, Chairman of the University Grants Commission, Director General of the CSIR, Prof. M.G.K. Menon, Prof. C.N.R. Rao, Dr. P.K. Iyengar, Prof. S.K. Joshi, Dr. K.L. Chopra, Chairman of the Semiconductor Complex Ltd, and the Director (Technical) of the Bharat Heavy Electricals Ltd. Since the programme management board is under the DST, its Secretary, Dr. Vasant Gowariker, is the member secretary of the apex body.

Recommending that the ongoing research programmes be strengthened, the apex body decided that some short-term superconductivity technology demonstration projects would be initiated and completed in the next two years. It was suggested that a few long-term application projects leading to industrial products be initiated in association with the industry.

Additional investment: Of the approved outlay for the current year, the DAE [Department of Atomic Energy], the CSIR [Council of Scientific and Industrial Research] and the DST would receive Rs.3 crores and Rs.7 crores respectively. The Rs.70 crore investment for the Eighth Plan was proposed to be utilised in basic research and applications roughly in the ratio of 1:3. An additional investment of 50 per cent of the Eighth Plan outlay could be expected from the industry.

During 1988-89 the board through the two task groups it had constituted in March 1988, had identified and funded 56 projects/groups involving 32 institutions. Of these 38 were engaged in basic research and 18 in HTSC applications. The estimated expenditure on NSP in 1988-89 is around Rs. 11.4 crores. Apart from this a broadbased R&D and manpower training programme in superconductivity has been launched by the UGC with an outlay of Rs. 2 crores.

The major equipment like special furnaces for the fabrication of new ceramic oxide materials, high-precision measuring equipment, material structure determination packages, X-ray analysis equipment, etc., granted under the programme had been ordered but were yet to be delivered, said Dr. Gowariker. The R&D work under the board so far, had been conducted using the existing equipment and infrastructure.

Significant efforts: In terms of achievements in basic research, significant efforts had been made to synthesise and characterise materials which become superconducting at liquid nitrogen (minus 196°C or 77 K) and higher temperatures. The materials predominantly belonged to the so-called 1-2-3 compounds, based on yttrium oxide, and bismuth and thallium compounds. New series of materials, particularly copperless nickel based compounds, have been studied. Noteworthy experimental and theoretical work had been carried out contributing to a better understanding of the mechanism of HTSC. "From the viewpoint of technology 1-2-3 and bismuth compounds are still the best," said Prof. Rao.

Several groups have been able to achieve bulk-up to a few kg—production of 1-2-3 compounds and the method developed by the IIT [Indian Institute of Technology], Madras, is significant in this. Though the Indian Rare Earths Ltd. had been given the mandate to productionise yttrium oxide in large quantities it has not begun to do so and the requirements are being met through a one-time import of 50 kg of the material.

On the applications front, technological capability in terms of fabrication of films, wires, tapes, etc., had to be strengthened, said Prof. Rao. Though some success had been achieved in thin films there was a need to improve on it, he added. "Lot of work and lot of publications have resulted but now we need to concentrate on specific areas like high current electronic devices," said Dr. P.K. Iyengar. Though current densities of the order of 10,000 ampere/sq.cm. had been attained by Indian researchers this had so far been in small area configurations and stability of such materials also needed to be demonstrated. "Stability of material is important for production of technology. More exacting work is needed in this respect. From that point of view we should even concentrate on low critical current density devices. High current density is a matter of development," said Prof. Rao.

According to Dr. Iyengar, there has been no focus so far on magnetic field effects on HTSC materials from the point of view of technology applications. These new materials have been found to expel magnetic field unlike the so-called flux-pinning effects of conventional low temperature superconductors. Both Prof. Rao and Dr. Iyengar were of the opinion that new alloy structures had to be studied for such pinning mechanisms which would be useful to fabricate high temperature superconducting magnets.

The kind of devices that seemed feasible presently with the HTSC materials would be largely based on junction properties of three new materials which have intrinsic to

them, rather than by design, Dr. Iyengar said. These would include IR detectors, microwave components, bolometers, millimetre wave detector, Superconducting Quantum Interference Devices (SQUIDS), etc. Major thrust in this direction was likely to be given in the R&D programme for 1989-90.

What had, however, emerged was a new perspective of the field of superconductivity, low temperature science and technology and materials science as a whole, not just HTSC, said Dr. Gowariker. "We have been doing high temperature superconductivity in a kind of vacuum, trying to fill gaps of instrumentation, materials—particularly ceramic technology and experimental infrastructure in general through superconductivity. That is not the right way to go about it. These should have been developed all along to be exploited for HTSC work like it is happening in Japan, for example," said Prof. Rao.

From this standpoint, the need to give thrust to R&D work in the area of low temperature technology was perceived by the apex body. Special R&D programmes to build low-temperature (up to 20 K) magnets with conventional superconductors of the old kind were likely to get a major thrust in the coming years. A joint programme involving the DRDO, the Central Electronics Ltd., Department of Space and the BHEL [Bharat Heavy Electricals Limited] had been mooted to develop low temperature magnets that could, for example, go into the making of magnetic resonance imaging (MRI) systems for medical applications. Bharat Heavy Electricals had taken up a project to make a 5 MW prototype superconducting generator.

Record High Target Set for Foodgrain Production

46001575 Madras *THE HINDU* in English
11 Jul 89 pl 1

[Article: "All-Time High Target for Foodgrains"]

[Text] New Delhi, July 10—Encouraged by a bumper harvest of 172 million tonnes in 1988-89, the Centre has set the foodgrains production target for the terminal year of the Seventh Five-Year Plan (1989-90) at an all time high of 175 million tonnes. The record 1988-89 output—a 24 per cent jump over the previous year—should assist in increasing the buffer stocks by nearly 20 million tonnes.

Detailing the excellent performance on the food front, an official spokesman said here today that the 1989-90 target was not too optimistic considering that the rainfall from June 1 to July 5 was normal to excess in 30 of the 35 meteorological subdivisions against 22 in the same period the previous year. In terms of coverage, 72 percent of the districts received normal to excess rain this period compared to 68 percent in 1988. The 1989-90 target may itself be revised upward once the full impact of the monsoon becomes evident by September.

Monsoon on time: He said that in 1988-89 the south-west monsoon set in on time and advanced by the large as per

schedule. Spatial and temporary distribution of rain in the season was reasonable with 32 out of 35 meteorological subdivisions receiving excess to normal rain.

According to the latest figures, foodgrains production for 1988-89 has been estimated at 172 million tonnes against the target of 166.57 million tonnes, fixed at the commencement of the season. As per the break-up of output, rice production has been estimated at 70.46 million tonnes, wheat 54 million tonnes and pulses for the first time breaking the stagnant level of 12 to 13 million tonnes to touch 15 million tonnes.

Besides, a new record has also been set for oilseeds with its production now estimated at 17.8 million tonnes against the target of 15.65 million tonnes. The earlier peak in oilseeds production was in 1984-85 at 12.95 million tonnes. The spokesman said coarse grain was the only area where production performance was below expectation.

The foodgrains production target for 1989-90 has been set at 175 million tonnes with the 'working targets' much higher at 183.64 million tonnes. The difference in the two targets was mainly due to the information gap about monsoons which would become available after September.

Working target: If rain remains favourable then the working targets themselves may be achieved. Crop-wise, the production target for rice has been set at 72.50 million tonnes, wheat 54 million tonnes, coarse cereals 33.75 million tonnes and pulses 14.75 million tonnes to yield a total food output of 175 million tonnes.

The spokesman said while the rainfall in the kharif season had begun well, the progress and behaviour of the monsoon in July was crucial as sowing on a large scale was usually done this month. According to the Indian Meteorological Department, the current indications are that the monsoon will maintain normal activity during the rest of the season. In that event the country would record another bumper crop in 1989-90, the second in succession.

Farmers Take 'Major Step' in Forming United Front

46001570 Madras *THE HINDU* in English
15 Jul 89 p 11

[Article: "Farmers' Outfits To Merge Under BKU"]

[Text] New Delhi, July 14—The Inter-State Coordination Committee (ICC), representing farmers' interests in 14 States, has decided to come together organisationally at the national level. It is claimed that for the first time in India, and close to a decade after the Tamil Nadu farmers' leader, Narayanaswamy Naidu, floated the idea of a united front, the major step in this direction has been taken by the ICC at the end of its two-day meeting here today.

The meeting resolved that all affiliated State-level farmers' organisations will adopt the name of 'Bharatiya Kisan Union [BKU]'. The organisations will be allowed to adapt the nomenclature in the regional languages. A modified BKU flag, with a strip of white between strips of green, will be adopted by all the organisations. The white strip would have an emblem of a farmer ploughing a field. The State-level organisations can use their own flag with the new BKU colour.

Executive body: A Kisan Samanvay Samiti will serve as the executive committee of the new BKU and will include, besides the old and established farmers' outfits, new members too. However the strength of each organisation will be considered before granting it representation in the Samanvay Samiti. Size of organisations and local conditions will be taken into account in places where there are more than one farmers' organisations.

It was also resolved that in cases of emergency the new BKU will be governed by a presidium which shall have representatives from states having substantive farmers' organisations. Initially, six State-level organisations have been selected for representation in the presidium. These are: the Punjab unit of the BKU, the U.P. [Uttar Pradesh] BKU unit, the Gujarat based Khetru Organisation, Maharashtra's Shetkari Sangathan, Karnataka's Raiyat Sangh and Narayanaswamy Naidu's outfit from Tamil Nadu.

The presidium will manage the new BKU's affairs in between sessions of the larger and "constitutionally" superior Samanvay Samiti.

Observers explained that these resolutions reflected the BKU leader, Mr. Mahendra Singh Tikait's insistence on structural unity at the national level.

Farm debt issue: On the other side, in an important acknowledgement of the views put forward by Mr. Sharad Joshi (the Shetkari Sangathan chief) on the need for agitational unity, it was resolved that the movement to relieve farmers of their debts would be taken up throughout the country. It may be recalled that a national conference of farmers at Nanded (in Maharashtra) on March 10, 11, and 12 had given the call for debt relief agitation.

The meeting noted that while the problem of debts had been already resolved in Maharashtra, the issue would be taken up in Gujarat, Madhya Pradesh, Haryana and Punjab. In all these places farmers would file petitions in the local courts. Simultaneously, anti-corruption movements would be launched directed particularly against corrupt district officials.

In a significant decision, expected to have far-reaching impact on electoral year politics, the meeting resolved that on the first day of filing nomination papers after elections are announced, the two 'fraternal' groups—farmers (kisans) and ex-servicemen (jawans)—would stage a rally in Delhi to pressure the government for meeting their demands. This farmers' organisations

along with ex-servicemen would decide on their electoral stand at the rally on the guidance provided by the Samanvay Samiti.

Developments in Controversy Over Chemical Exports

Ban Not Acceptable

46001574 Bombay *THE TIMES OF INDIA*
in English 12 Jul 89 p 1

[Article: "Chemical Ban on India Not Acceptable"]

[Text] New Delhi, July 11—India today accused the western countries of trying to force it to accept a ban on the manufacture of certain chemicals while they themselves refused to ban their manufacture.

Responding to queries on the export of a certain chemical by India which allegedly went into the manufacture of chemical weapons in Iran, a foreign office spokesperson said here today that the chemical in question, thionyl chloride, was not a banned item in India because it was also used to make pesticides.

He said that the ship carrying the chemical had already returned to India with the consignment. New Delhi did not attach much importance to this incident as it viewed it as a matter which concerned two firms—a West German firm which wanted to import the chemical and an Indian firm which exported it.

India was not amused by the noise that had been raised over the episode in Western countries. On its part, India was in favour of a comprehensive ban on the manufacture, stockpiling and deployment of chemical weapons. But it would not accept a partial ban.

Official sources described the West's effort to force India to ban the chemical as a "discriminatory nonproliferation treaty in chemicals." They said the irony was that several obstacles were being placed in the way of a comprehensive ban on chemical weapons by those very countries which were pressing India for a partial ban.

Transpek Executive's Remarks

46001574 Bombay *THE TIMES OF INDIA*
in English 16 Jul 89 p 7

[Article: "No Law Broken in Chemical Export"]

[Text] Baroda, July 15—The Transpek industry limited, Baroda, at the centre of a controversy over the return of a shipment of thionyl chloride from Dubai, has claimed that the company was absolutely in the clear as it had not struck any deal with an intermediary firm in West Germany.

Mr Paresh Saraiya, the vice-president (marketing and development) of Transpek stated here yesterday that the

company had not violated any law of the land as chemical was not in the list of banned ones. It was also unaware of any shipment of the chemicals from Sharjah to West Germany.

The ship carrying 120 tonnes of thionyl chloride destined to Sharjah, was returned to Bombay from Dubai last week, on the ground that the shipment of the chemical to West Germany was illegal as it had recently been brought under the list of banned chemicals in that country. Transpek was also accused by some countries of indirectly helping Iran to manufacture chemical weapons with thionyl chloride, which was reportedly finding its way to Iran from Sharjah.

Mr Saraiya said the foreign office spokesman of the government of India had already issued a clean chit to the company. But the spokesman was wrong in saying that the deal was between Transpek and a firm in West Germany. Technically, the deal was between Transpek and M/s Shattaf General Trading, Sharjah, which, in turn, apparently sold the chemical to M/s Rheinsen chemical products GnbH, Dusseldorf, West Germany.

He said Transpek had received an order for supply of 257 tonnes of thionyl chloride from the Sharjah firm, of which 120 tonnes were despatched. As far as Iran was concerned, 60 tonnes of the chemical was supplied to it through the State Trading Corporation of India in March this year.

Set up in 1965, Transpek manufactures about a dozen chemicals, of which thionyl chloride constitutes a mere 11.5 per cent of its total sales.

Thionyl chloride has wide applications in pharmaceuticals, dye-stuff and agro-chemicals industries, and is also used as a general chlorinating agent. Transpek is one of the three manufacturers of the chemicals in the country which, earlier, was imported from West Germany, the United States, Switzerland and Japan. Only recently, West Germany imposed a ban on trading in the chemical.

According to Mr Saraiya, there were several users of thionyl chloride in the country from pharmaceutical dye-stuff and agro-chemical industries but no known user manufacturing dangerous chemicals.

Anger Called 'Justifiable'

46001574 Bombay THE TIMES OF INDIA
in English 22 Jul 89 p 12

[Editorial: "Unacceptable Hypocrisy"]

[Text] The Indian embassy in Washington has reacted with justifiable anger to criticisms emanating from the Bush administration about India's export of so-called poison gas. Unfortunately, the state department's official spokesman, Mr Boucher, has not seen fit to reject this slur categorically. A West German chemical company was contracted by Iran to supply thionyl chloride which is used for pesticide production. It is also a component of

mustard gas. After enquiries by the West German government, the company cancelled its contract with Indian suppliers and both have seen fit to pass on the buck, as it were, to India arguing that this country should have more stringent laws concerning such items, the export of which is prohibited by West Germany. This issue has been picked up in Washington as part of its purported drive to make the world free of chemical weapons.

For a number of reasons this challenge to Indian bona fides is disturbing and unacceptable. This country's record on the issue of non-proliferation of chemical weapons and opposition to such means of warfare is second to none. India's positive and constructive role in seeking to perfect a system of worldwide control in this matter has been commended repeatedly, even by the west. There are a number of dual-use chemicals like thionyl chloride whose purchase may be motivated by considerations unknown to the supplier. But to single out Indian laxity is really to try and bell the wrong cat. Take the accusation about Indian supply of such poison gas for use in the Iran-Iraq war. Both politically and economically, western positions on this war contrasted negatively with India's principled stand of strict neutrality and its refusal either to encourage or turn a blind eye to any efforts by Indian companies to make money out of the lucrative weapons trade. The western record in this respect was far worse. If dual use chemicals constitute a problem, and they do, the issue must be tackled in a comprehensive and equitable manner which does not single out a country like India. Indeed, a minimum condition for movement in this direction would be much greater information about the production, stockpiling and use of such chemicals in the west and much less secrecy about laboratory research with respect to militarily useful gases and chemicals. This would be to put the boot on the foot where it belongs.

Papers Report Gandhi Moscow Meeting With Gorbachev

Correspondent's Report

46001568 Madras THE HINDU in English
16 Jul 89 p 1

[Article by K. K. Katyal: "Rajiv Holds Talks With Gorbachev"]

[Text] Moscow, July 15—Soon after his arrival here today the Prime Minister, Mr. Rajiv Gandhi had two exhaustive rounds of discussions with the Soviet President, Mr. Mikhail Gorbachev, focussing as much on bilateral ties as on the international issues, in the context of the shared desire to update continuously their dealings so as to be in tune with the changing situations.

As regards bilateral cooperation, Mr. Gorbachev struck a hopeful note, saying: "Things are changing for the better. I am pleased. Major projects are moving ahead. Trade alone is not enough and joint ventures are to be emphasised."

From among the international issues, he praised the "constructive role India was playing in support of a Cambodian settlement." Otherwise he found both positive and discouraging elements in the efforts to sort out this problem.

S. Asian Issues: The discussion on the South Asian situation also covered Sri Lanka, Nepal, Afghanistan, Indo-Pak relations.

Mr. Gorbachev, it appears, showed understanding of India's position, but details were not available. The Soviet Union, however, was known to hold firm view on some of these issues.

Bilateral ties and the issues connected with India's neighbourhood were taken up in the one-to-one talks after the dinner at Mr. Gorbachev's country house, while international subjects figured in the earlier meeting lasting nearly four hours when the two leaders were accompanied by their delegations. The External Affairs Minister, Mr. P. V. Narasimha Rao, was among those in the Indian side.

The first meeting was held at the Grand Kremlin Palace and the second after the dinner hosted by the Soviet leader and his wife, Raisa for the Prime Minister and Mrs. Sonia Gandhi—a gesture reflecting the warmth and cordiality of their relations.

Set Pattern: The visit and the talks were a part of what has now become a set pattern of yearly contacts between the two leaders. This was their sixth meeting. Earlier, they had met thrice in Moscow, twice in Delhi (Mr. Gorbachev was last in India in November 1988). Today's talks, it was clear would serve to give a new impetus to economic cooperation between the two countries, now that the changes in the Soviet Union, notably the autonomy to industrial enterprises, pose a big challenge to India. The nitty-gritty of the new arrangements was settled recently during the visit to Delhi of the Deputy Soviet Prime Minister, Mrs. Biryakova, and to Moscow of the Commerce Minister, Mr. Dinesh Singh, and today's discussions were expected to provide the much-needed direction from the top.

Since his Delhi meeting, Mr. Gorbachev had undertaken major diplomatic initiatives in particular, his summit talks with the Chinese leaders and his visits to Bonn and Paris, leading to significant shifts in the international balance. He apprised Mr. Gandhi of the outcome of these missions, while giving his assessment of the shape of things to come.

The Prime Minister, on his part dwelt at length on the situation in India's neighbourhood, with his positive and not so positive features the upbeat mood in the India-Pakistan dealings (emphasised by Mr. Gandhi's trip to Islamabad tomorrow, the first by an Indian Prime Minister, after three decades) contrasting with the difficulties in relation to Sri Lanka and Nepal. On Sri Lanka, Mr. Gandhi could not but have drawn attention to the Soviet leader to New Delhi's commitment to pull out the Indian Peace-Keeping Force, while ensuring compliance with

the Indo-Sri Lanka agreement, especially those provisions which gave India the role of a guarantor. The latest killings of the top TULF leaders were cited to emphasise the dangers inherent in the present situation in the island and its implications for the security and safety of Tamils. This elaboration was necessary because of the recent articles in the Soviet newspapers which, while appreciating India's stand, expected it to play a more helpful role. This was interpreted by the Sri Lankans as the Soviet Union's desire to ensure that its example in withdrawing from Afghanistan and scaling down its involvement elsewhere is followed by India.

Fresh from his visit to Paris, the Prime Minister acquainted Mr. Gorbachev with the discussions he had with other world leaders, both from the rich and poor nations, on the urgency of reviving the dialogue for ending the current economic imbalances and the general desire that the Soviet Union and China too play appropriate roles.

North-South Interaction: Giving the rationale of the efforts for fresh North-South interaction, the Prime Minister explained how the global system tended to be exploitative. After his talks in Paris he was hopeful that the initiatives, now in the making, would take off. Mr. Gorbachev said that "philosophically we are in tune with you" and that "generally your observations were consistent with mine." He was all for the restructuring the economic order because of the disparities and wanted this to be done through the UN.

During the survey of the international situation, Mr. Gorbachev outlined his views on the recent trends—though the Cold War thinking persisted, the world public opinion was for change. He appeared satisfied with the progress of the arms control talks, reflected in the solution of some of the ticklish regional problems. He took a highly positive view of the improvement in his country's relations, on the one hand, with China, and on the other, with Iran. As regards West Asia, however, the Soviet leader contrasted the stubborn attitude of Israel with the constructive role of the Palestine Liberation Organisation.

Mr. Gandhi too dealt with India's relations with China, with special reference to the increased frequency of contracts after his visit to Beijing last year, and the recent talks by the Joint Working Group on the border. The two sides, he said, were keen on maintaining peace and tranquillity on the border. He referred to the warmth shown to Mr. Ghulam Nabi Azad, AICC(I) general secretary, during his recent visit to Beijing.

UNI Report

46001568 Madras THE HINDU in English
16 Jul 89 p 11

[Article: "PM, Gorbachov Discuss Lanka"]

[Text] Moscow, July 15 (UNI)—The Prime Minister, Mr. Rajiv Gandhi, and the Soviet President, Mr. Mikhail

Gorbachov, today discussed the latest situation in Afghanistan and Sri Lanka and the security environments in South Asia.

Mr Gandhi flew into Moscow from Paris and immediately afterwards began talks with Mr Gorbachov in the Kremlin which also covered the international political and economic situation and major bilateral matters.

This was the eighth meeting between the two leaders since 1985 [as published].

Considerable importance is attached to these talks in the context of the growing co-operation between the two countries in a number of fields, including defence, science and technology, joint ventures, space and trade.

Recently the two countries reached an agreement for putting up a 2,000 MW nuclear power plant in India with the biggest 2.3 billion rouble credit.

According to official sources, the main focus of the talks was on the latest situation in Afghanistan, Pakistan's attitude towards the Afghan Mujahideen, situation in Sri Lanka and developments in China.

The Soviet foreign minister, Mr Eduard Shevardnadze, the minister of state for external affairs, Mr K. Natwar Singh, and the Soviet and Indian ambassadors, Mr Viktor Isakov and Mr T. N. Kaul, were present at the talks.

Mr Gandhi and Mr Gorbachov devoted quite some time to bilateral trade and economic relations which have not been showing an upward trend for some time.

Although trade and commerce between the two countries is quite substantial, it is still conducted in a traditional framework. Both the leaders underlined the need for giving a push to joint venture projects in various fields.

The "Delhi Restaurant" has shown some results but it is experiencing difficulties with the growing rouble account.

On the eve of Mr Gandhi's visit, the high-power delegations of the two countries finalised 80 collaborative projects in science and technology.

The Prime Minister's scientific adviser, Mr C. N. Rao, and the Soviet Science Academy chairman, Mr Guri Marchuk, signed an agreement on science and technology for setting up joint ventures in either country for production of industrial materials.

The two countries would also co-operate in the field of bio-technology powdered metallurgy and lasers.

In an interview to the Soviet television on the eve of his one-day working visit to Moscow, Mr Gandhi said: "We are now developing such areas of co-operation which we did not even think of previously."

He said bilateral trade had reached a very high level and was developing rapidly. Co-operation between the two countries had also reached new heights, he added.

For the first time the Soviet government has decided not to give any publicity to the one-day visit of the Indian Prime Minister.

Departing from the traditional practice of giving a big press build-up to the visit, this time none of the Moscow newspapers has written a line about the arrival of Mr Gandhi.

The Soviet authorities explained that the relations with India remain very warm but since it was a working visit by Mr Gandhi it was decided not to make any media projections and engage in in-depth talks with him without showing the Soviet Union's admiration for Indian people and its leadership.

Press Told Outcome of Chief Secretaries' Conference

46001589 *Calcutta THE STATESMAN*
in English 28 Jun 89 p 9

[Article: "Chief Secretaries Worried Over Fundamentalism"]

[Text] New Delhi, July 127—The Chief Secretaries of the States and Union Territories are concerned over the growth of religious fundamentalism as the Ram Janmabhoomi issue "has accentuated the situation".

The consensus at their conference here today was that all alertness was called for and organized sharing of intelligence among them was agreed upon.

The Union Home Secretary, Mr J. A. Kalyanakrishnan, told reporters this evening: "We did not discuss terrorism Ram Janmabhoomi was not discussed as an issue for solution but as part of the communal situation".

The Chief Secretaries reported that there was a decline in the number of incidents but the situation demanded vigilance.

The two-day conference, which began today, was an occasion for feedback on the mood of the people and a careful analysis of intelligence agencies' "reports on the communal scenario and management of the situation".

The Union Home Minister, Mr Buta Singh, said the response to crises should not be in the nature of "fire-fighting" but involve comprehensive planning of strategies at the State levels.

He spoke of the need to "sharpen intelligence and response mechanisms and deal with developing situations at an early stage".

While favouring strengthening of the urban local bodies, the Chief Secretaries today agreed that a population of 20,000 is a good cut-off point for a municipal area. A smaller population in the hill areas could qualify for a local body. They felt that the types of municipal bodies were too many and rationalization was necessary.

They favoured tiered arrangements in large cities so that the elected representatives and the people were not kept far apart.

There was unanimity on regular elections every five years. Suppression should only be in exceptional circumstances, they felt.

Municipal functions could vary according to the size of the local bodies. Special bodies for water supply and slum development could be set up in big cities, they felt.

Municipal finance commissions as in West Bengal and Kerala would be useful, they said. They favoured incentives for the local bodies to raise resources. The process of valuation of properties should be left to the municipal authorities.

The Chief Secretaries of the North-East said there had been a great deal of urbanization in recent years in towns such as Aizawl and Itanagar and a town and country planning organization was needed for the area.

Correspondent's Interview With Defense Minister Pant

46001565 Bombay THE TIMES OF INDIA
in English 18 Jul 89 p 8

[Article by L.K. Sharma]

[Text] New Delhi, July 17. The defence minister, Mr K.C. Pant, is not quite happy about the rave reviews that India's growing military might is receiving in the foreign media. He tended to agree with those who considered this to be part of a disinformation campaign.

Mr Pant's replies to a range of questions also reflected the government's commitment to defence research and development at a time when some of the major R and D projects have reached a critical stage.

On the tight financial situation being faced by the defence ministry, Mr Pant chose his words carefully. He did give an impression that he could do with more money and that he would be grateful if the finance minister, Mr S.B. Chavan, appreciated the case for somewhat loosening the purse-string.

Excerpts from questions and answers follow:

[THE TIMES OF INDIA] There has been considerable speculation over India's fast-growing military strength. What is your own assessment?

[Pant] The size of a country's defence forces should be determined by its security environment and its defence responsibilities. Considering our vast land territory, long coastline, the exclusive economic zone, island territories and maritime interest, India's defence forces are just adequate to defend the country effectively. Exaggerated accounts of India's military strength could be part of a disinformation campaign by vested interests.

[THE TIMES OF INDIA] How do you view the Sri Lankan situation. It has evidently taken a turn for the worse?

[Pant] Well, the IPKF [Indian Peacekeeping force] was in the process of a gradual withdrawal when a political twist was given to the whole issue.

[THE TIMES OF INDIA] Have the recent multi-level contacts between India and Pakistan over the Siachen issue paved the way for a breakthrough?

[Pant] The dialogue is still at a tentative stage.

[THE TIMES OF INDIA] Some experts at home, however, feel that the defence budget cuts and a slow down in acquisition of foreign equipment will inevitably lead to a setback to the modernization of defence forces. Do you agree with this view? What is being done to protect essential modernization from budgetary cuts?

[Pant] The cut in the defence budget for 1989-90 (Rs 13,000 crores against Rs 13,200 crores in 1988-89) is not expected to have any significant impact on the modernization programmes of the defence services. No priority modernization schemes would be postponed or halted. Economy is being effected in areas that will not affect our operational preparedness.

[THE TIMES OF INDIA] This reply seems to be for the records and is not very convincing.

[Pant] What more can I say since I am part of the government? We have to see the overall resources situation.

[THE TIMES OF INDIA] Do foreign policy compulsions not call for an expansion of the forces? Is there any thinking regarding a suitable structure for higher guidance in the defence field? What happened to Gen Sunderji's proposals on personnel planning?

[Pant] As you know, India has no extra-territorial ambitions and our present force level is adequate to defend the country. However, we have to keep in mind any contingencies that may arise in the future. A guidance and planning structure for defence already exists and its efficacy has been amply demonstrated in Sri Lanka and the Maldives.

Review of our existing planning, coordination and personnel planning mechanisms is an on-going process. Some of the proposals are being examined. But several are to be considered. Just saving on defense pensions is not the issue.

[THE TIMES OF INDIA] What is the policy on the mechanism of purchase of foreign equipment? What about agents for promoting India's defence experts? Is the confusion over the role of the agents over and if they now have a role what are the guidelines for their functioning?

[Pant] Foreign acquisitions are made directly from the foreign manufacturers, whenever any equipment is not available endogenously. Revised instructions regarding

the role of agents have been issued which continue to prohibit their intercession in the acquisition of weapons or weapon systems by the ministry of defence.

As for India's export of defence equipment, there will be no objection to engaging agents depending on the merits of each case and keeping in view the types of equipment/technology involved as also the customer. As a safeguard against possible diversion, the export of sophisticated defence items and major weapon systems will be undertaken, generally, on a government-to-government basis with appropriate end-user restrictions.

The proposal for setting up a dedicated autonomous agency for defence exports is under consideration.

With a view to promoting export of defence products, we have recently taken part in two defence exhibitions held in Ankara (Turkey) and Baghdad (Iraq). We are also planning to participate in the defence exhibition to be held at Singapore in early 1990.

[THE TIMES OF INDIA] The success of Agni has highlighted the achievements and the scope for further work in the area of defence research and development. There are doubts whether the government would be able to capitalize on the scientific success to build a credible operational system.

[Pant] Agni is a technology demonstrator used to test some of the advanced missile technologies developed endogenously. We will have to conduct a few more tests before undertaking full-scale development. Being an experimental R and D vehicle, the goals of Agni are technological. The government would take decisions at the appropriate time about the production and operation of such missiles.

[THE TIMES OF INDIA] Besides Agni, which other development projects have been given priority? And what is the status of progress in such cases as the MBT [Main Battle Tank], the LCA [Light Combat Aircraft] and its engine?

[Pant] The project definition phase (PDP) for the LCA is over and the documents are under review before the development phase is commenced.

The main battle tank is now undergoing summer trials and there is every hope that these will be successful.

Work on the GTX engine for the LCA, a major technology development exercise, is continuing and some important milestones have been crossed. Missiles designed and developed to user requirements are making satisfactory progress under the integrated guided missiles development project. These are Prithvi, Trishul, Akash and Nag. We are also looking into the feasibility of making air-to-air missiles. The services have placed orders for Prithvi and Trishul.

Apart from these, there are major projects in radars, communications and sonar torpedoes, which are progressing satisfactorily.

[THE TIMES OF INDIA] How does India face up to the export restrictions and international regimes intended to halt the progress of indigenous programmes?

[Pant] India has attained some degree of self-reliance in its defence production programmes. Our scientists and technologists are capable of providing the necessary expertise for the various modernization programmes. The recent success of Agni demonstrates that restrictions and international regimes would not, by and large, deter India from progressing towards modernization. We are systematically planning improvements in component manufacturing infrastructure to minimize dependence on outside sources.

[THE TIMES OF INDIA] As a follow up of Agni and other missile systems, is there a plan to set a separate space command? How far is the country from inducting military satellites?

[Pant] The operational role and relevance of missiles is well recognized and the IGMDP seeks to provide integrated technological solutions of an indigenous nature.

The organizational aspects related to missiles of different classes and ranges are under study.

[THE TIMES OF INDIA] Have all issues related to the second phase (production) of the Bofors guns been sorted out? What is the status of the project?

[Pant] All the issues regarding indigenous production of 155-mm field Howitzers are being finalized and the decision would be taken soon. Another round of talks with the representatives of the Swedish company has just been completed.

[THE TIMES OF INDIA] What is to substitute the HDW submarine for which assembly line had been set up? Is it a Swedish (KDKUM) option? Or indigenous efforts with Soviet assistance will fill the gap?

[Pant] The Swedish proposal is not being considered. Various other options are under consideration. It will not be in the public interest to disclose further details at this stage.

[THE TIMES OF INDIA] Don't you agree that the interminable delay on a decision the advanced jet trainer aircraft is doing harm to the air force? When do you expect to select one?

[Pant] Various proposals for acquisition of advanced jet trainer aircraft are under consideration and a decision would be taken when the evaluation of these proposals from all angles is completed. However, any apprehension that this is adversely affecting our defence preparedness is unfounded. Please remember that the order for the advanced jet trainer that the order for the advanced jet trainer would require mobilization of large funds as it would be one of the biggest orders. That is why it may take a little more time.

[THE TIMES OF INDIA] Have the plans for building an indigenous aircraft-carrier made any progress?

[Pant] An agreement has been entered into with a French shipyard for the study of the design concept of the carrier or as a sea-control ship as the navy now prefers to describe it. Indian naval designers have been fully associated with this study. A decision to build an aircraft-carrier in the country can be taken only when the current study has been completed.

[THE TIMES OF INDIA] The aircraft manufacturing scene is dismal. Has any decision been taken as the Soviet offer for the manufacture of its latest fighter in the MiG series? What will happen when the Jaguar lines become jobless? Why has the defence sector not acted as a catalyst for a civilian aeronautics industry which would have in turn reinforced the strength of the defence sector? Doesn't the defence minister have a responsibility to push the government in this regard?

[Pant] No decision has, however, yet been taken for the production of any new MiG series aircraft. Presently, the Hindustan Aeronautics Ltd. (HAL) are engaged in the production of Jaguar, Kiran, HPT-32, MiG-27m and Dornier aircraft. An additional order for 15 Jaguars has been placed on HAL by the IAF. Orders for some additional HPT-32 aircraft are also expected. The workload profile of HAL will improve with the taking up for production of the light combat aircraft and the pilot-less target aircraft.

A committee in the planning commission, with wide terms of reference, is presently considering all aspects of manufacture of civil aircraft and their components in the country. The capability of the civil sector will also be, inter alia assessed by this committee. The government has already taken a decision to permit manufacture of aircraft below 5,700 kg all up weight in the private sector.

Paper Gives Details on Soviet-Funded Power Projects

46001587 Bombay THE TIMES OF INDIA
in English 5 Jul 89 p 7

[Text] New Delhi, July 4—The Soviet Union has agreed to provide a credit of 1,000 million roubles for four power projects to India.

The thermal power projects include Kayamkulam (2x210 MW) in Kerala, Mangalore (2x210 MW) in Karnataka and Maithon (3x210 MW) of Damodar Valley corporation, and the Vindhya-Nagda transmission line.

The Kayamkulam and Mangalore projects are to be implemented by the National Thermal Power Corporation in the Central sector. The Soviet credit will cover nearly 50 percent of the cost of these projects and about 15 percent credit will be used for meeting local costs.

According to an official press release issued here today, the credit agreements for these projects are likely to be finalised soon.

The Soviet decision follows discussions at the Indo-Soviet working group of power held recently in Moscow. The Indian side was led by Mr S. Rajgopal, secretary (power), ministry of energy, and the Soviet side by the deputy minister for power and electrification, Mr A.P. Poddubsky.

The Soviet Union had agreed to provide assistance to set up a generating capacity of 6,000 MW up to 2000 A.D. as per the protocol signed in November 1988, in New Delhi at the time of the visit of the Soviet President to India. Of this, projects of 3,270 MW had been identified for implementation during the eighth plan period.

At the working group meeting, the two sides talked about the implementation of on-going projects, namely the Vindhya-Nagda super thermal power projects and Tehri hydro-power complex. The discussions also covered the pace of the implementation of the crucial Dulhasti-Kishenpur-Srinagar transmission line. A team of three Soviet construction specialists will visit India shortly in this connection.

The working group also held discussions on the possibility of Soviet assistance in the field of renovation and modernisation of Soviet-made equipment installed in various power stations in the country.

The meeting also covered scientific and technical co-operation, training of professionals and supply of equipment by Indian manufacturers for Soviet-aided projects.

Paper Gives Details on Audit of Bofors Deal

Cost Assessment Questioned

46001563 Madras THE HINDU in English
19 Jul 89 p 1

[Text] New Delhi, July 18. The Comptroller and Auditor General in a report tabled in Parliament today revealed that the Government of India warning to competing companies to eliminate agents in the 155 mm howitzer competition referred to only 'Indian agents' and "no information relating to agents located in other countries but may be operating for this contract in India was sought by the Government nor any confirmation/clarification obtained from the manufacturers." Further the absence of a formal provision against agents has prevented the reduction in price of the contract equivalent to SEK 319.4 millions paid to three companies not domiciled in India as settlement of commission subsequent to the deal.

Further the C & AG has questioned the technical and cost assessment of the Bofors offer and has seemingly blown a hole into the Government and the JPC's case that the best possible gun was bought at the lowest possible price.

The report has described as 'flawed' the basis on which the assessment of costs for the purchase of the Bofors FH-77B howitzer was made on March 21, 1986. It has

taken issue with the process of technical evaluation that led to the selection of the Bofors FH-77B howitzer and found serious gaps in the performance of AB Bofors handling of the contract. It has said that consequent to this the conclusion that the evaluation of the Bofors order was lower than that of the French manufacturer Sofma has 'doubtful validity.' It has described as untenable the view of the Ministry of Defence, proffered as late as April 1989 that the evaluation was 'meticulously undertaken.'

Unusual 'Rejoinders'

It may be recalled that the non-tabling of the report as is customary towards the end of the budget session in May, had created considerable speculation as to its contents. The Opposition had criticized strongly the Government for not tabling the report. The report as tabled seems to have an unusual degree of 'rejoinders' built into it with the JPC's observations as well as the Ministry's responses also included.

Interestingly the report also noted that the files for the project were called for by the C & AG as early as July 1986, but were made available only from June 1988. But the real reason for the delay may have been the sharp observations made by the C & AG on the performance of the contract since March 1986. The response of the ruling party M.P.s. who had been members of the Joint Parliamentary Committee looking into the affair has been to describe the C & AG findings as 'perverse.'

In a trenchant para, the C & AG noted that it was expected under the contract that a certain number of regiments would be equipped by the 155 mm system. However, it was noticed that till October 1988, the equipment issued to the army did not provide even a single regiment with the full complement of the gun system thereby affecting the operational preparedness...

The C & AG has also taken issue with the Ministry of Defence for accepting a revised delivery schedule for a package of ammunition to be supplied which affected the operational preparedness of the Army. "The variations in the time frame," the report noted "involved delay in the availability of ammunition ranging from 11 to 44 months." Further the equipping of certain regiments for the full package of ammunition would be delayed by 38 months.

Serious Slippages

Serious slippages in actual deliveries have been noticed and in the case of the supply of 5,000 pieces of one type of ammunition, expected in January and March 1988, the supply has not yet materialized. In addition two canisters were found to be unusually light and when opened, they were empty. The C & AG has observed that despite stringent inspection procedures such deficiencies have occurred and that this has grave repercussions since the canisters are opened at the time of actual use impliedly in wartime.

The C & AG has observed that the working of the licence production contract has been delayed from the outset. First Bofors were able to provide the detailed project report after a delay of nine months in April 1987 and the report had not been approved by the Ministry till January 1989. As a result of this the preliminary work on the licence production of the gun system has not commenced. It adds that "this delay would have far reaching effect on the defence preparedness as bulk of the gun system and ammunition is to be manufactured in India." Equally serious is the observation that the SEK 1 billion credit obtained for the licence production has not been utilized and since the credit was obtained far in advance of the requirement, Rs 1.66 crores in foreign exchange had been paid to the lender as part of various fees.

The C & AG has noted that there was no General Staff Qualitative Requirement (GSQR) prepared and neither was a matrix whereby prepared which made it difficult to assess the comparative importance of the various characteristics of the various guns expressed as minimum acceptable parameters. The recommendations of the Negotiating Committee in favor of the Bofors gun was, therefore, based on the Army Headquarters' recommendation of February 1986 favoring Bofors and not on any GSQR or specified matrix.

Doubts Over Middlemen Use

46001563 Madras *THE HINDU* in English
19 Jul 89 p 1

[Text] New Delhi, July 18. The Comptroller and Auditor-General examining the 155mm howitzer purchase has questioned the technical and cost assessment procedures followed by the Ministry of Defence in awarding the deal to AB Bofors. It has also found gaps in the performance of the company in fulfilling the contract and raised doubts about the Government's efforts to eliminate middlemen in the deal. Following are the highlights of the C and AG's report as outlined in the report itself:

The technical evaluations of the gun system and ammunition suffered from deficiencies. No General Staff Qualitative Requirement was prepared. Also, no matrix was prepared in the absence of which it was difficult to assess the inter-se importance of the various characteristics of the gun systems expressed as minimum acceptable parameters. It was felt in August 1984, that in the absence of these two, it would be very difficult for the Negotiating Committee to take a decision. The claims made by the manufacturers from time to time were not fully verified through trials. Further Army HQ had reservations since data could be manipulated during controlled demonstrations organized by the manufacturers in their own countries. Defence Research and Development Organization opined that the evaluation trials have failed to provide conclusive data to decide on the suitability of a particular weapon system. although it had recommended the conduct of fresh trials under "worst service conditions", this was not done.

Army HQ had indicated on as many as six occasions between December 1982 and October 1985, their preference for the Sofma gun system. However, Army HQ reversed its preference in February 1986 and recommended Bofors. A contract with Bofors was signed in March 1986.

The deliberations of the Negotiating Committee suffered from certain constraints. Notwithstanding these constraints the Committee recommended on 12th March 1986 the issue of a letter of intent on Bofors subject to the latter satisfying the Committee on all aspects of the purchase, licence production, credit and other arrangements. The letter of intent was issued to Bofors on 14th March 1986. There was no follow up action by the Committee of its own recommendation to satisfy itself on all aspects of the purchase, licence production, credit and other arrangements.

Ammunition worth Rs 328.98 crores was ordered after diluting the "minimum acceptable parameters" specified by Army HQ.

The assessment of costs leading to the award of contract to Bofors was also flawed in several respects. An exception was made to the general policy of the Government to pay for imports in the currency of the country from where the imports are being made by agreeing to repay 58 per cent of the credit facility (SEK 6.73 billion) in Deutsche Mark. The additional cost of improved maintenance coverage required for the Bofors gun which is more prone to defects was not assessed. The advantage of operating the Bofors gun through a smaller crew was also not assessed. A liability in regard to purchase of ammunition in excess of Army's requirement (value: Rs 42.73 crores) for obtaining technology for licence production was also not taken into account.

While the lender (Svensk Export-Kredit) has the right to terminate the credit agreement under certain contingencies, the borrower (Government of India) has no such right.

The Prime Minister's directions of 25th March 1986 regarding the methodology of evaluation was not complied with at that point of time as it was held to be of general nature. However, no new methodology of evaluation has been worked out by the Government in contravention of the directions of the Prime Minister.

The issue of letter of intent on 14th March 1986 before settling all aspects involved resulted in Bofors being "most averse" to make any further concession as they had received the letter of intent. However, with "great difficulty" a further concession of 10 guns free was obtained.

Although the Ministry had decided in May 1985 that procurement of imported weapons and equipment would be made directly from the manufacturers and agents eliminated, it did not obtain a categorical written assurance from Bofors in regard to the engagement of agents. According to the findings of the Joint Committee of Parliament, Bofors paid SEK 319.4 million to three

companies not domiciled in India. In the absence of a suitable provision in the contract to exclude agents, no reduction in cost to the extent of payments made to the agents could be sought by the Ministry from Bofors.

Contrary to plans, the equipment issued to the Army till October 1988 was inadequate for even a single regiment being equipped with the full complement of the gun system.

The Ministry accepted a time frame for the delivery of ammunition which was less advantageous than the one offered earlier by Bofors. This will, as a result, lead to a delay of 38 months in equipping certain regiments.

There have been slippages in deliveries in respect of certain essential items up to 72 weeks. Claims for liquidated damages was approximately SEK 34.46 lakhs (Rs 85.30 lakhs) have been raised in December 1988 by the Ministry on Bofors at the instance of Audit. An amount of SEK 17.36 lakhs (Rs 42.97 lakhs) has been recovered from Bofors.

There were delays in making certain contractual payments by the Ministry. As a result, it has paid SEK 3.40 lakhs (Rs 7.53 lakhs) and DM 0.88 lakh (Rs 6.92 lakhs) as penal interest and is liable to pay a further sum of SEK 4.98 lakhs (Rs 12.34 lakhs) and DM 0.76 lakh (Rs 6.54 lakhs).

The decision to undertake the manufacture of the Bofors gun system and ammunition under licence was taken without a comprehensive assessment of the financial and economic costs involved. The Detailed Project Report submitted by Bofors in April 1987, nine months after it was due, had not been approved by Government till January 1989. This delay would have far reaching effect on defence preparedness as bulk of the gun system and ammunition is to be manufactured in India.

Since no work on licence production commenced, no part of the one billion SEK credit could be utilized. The credit agreement was entered into far ahead of the credit requirements. As a result, Rs 1.66 crores in foreign exchange had been paid by the Ministry to the lender (Svensk Export-Kredit) by way of fees, etc., as of December 1988.

IRAN

Former General Predicts Return of Shah

35540107z Istanbul NOKTA in Turkish
18 Jun 89 pp 18-19

[Interview with General H., "former senior operative of SAVAK," by Mahmut Ovur and Haluk Akter; date and place not given]

[Text] General H. does not wish his name and picture to be publicized for fear of his life, because he is a former senior operative of the murderous SAVAK, the Iranian intelligence organization of the shah period, whose name is synonymous with the torture and murder of hundreds

of political prisoners. Born in Salmas, Iran, General H. first studied mathematics and then sociology. In his words, he entered SAVAK to "serve his country." Now he continues that service in Turkey. But now he does it as a fugitive and serves the new shah (Reza, the son of the old shah). Having lived in Turkey for 10 years fearing an attempt against his life any time, General H. notes that his old friends from the Turkish intelligence community have helped him extensively. Stating that he meets with the young shah frequently, General H. replied to questions by NOKTA's Mahmut Ovur and Haluk Akter on what may happen in Iran in the aftermath of Khomeini's death.

[NOKTA] As a former SAVAK official and a supporter of the shah what was your reaction to the death of Iran's religious leader, Khomeini?

[General H.] I can say that the democracy that has been disrupted for 10 years will be reinstated and that the crisis calamity that has befallen upon the Iranian people is about to end. Now a new way has opened for the Iranian people. I believe that they will not miss this opportunity.

[NOKTA] Were they waiting for Khomeini's death to do that?

[General H.] This may seem strange to you but one man can be that important. Khomeini imposed his dictatorship and principles on the entire world. He was Iran's sole ruler. He ruled the country as he wished. From that standpoint, I respect his thoughts. But not from a humanitarian point of view. Because he was also the murderer of millions of people. I do not think that anyone in history was as brutal as he was. I cannot compare him even with Hitler.

[NOKTA] Yes, but Khomeini was not alone in Iran; he was supported by many influential politicians who are backed by millions of people. How can you ignore them?

[General H.] That is what was said when the shah was overthrown. But Khomeini did not do it alone. There was support from outside, particularly from Britain. In addition, the People's Mojahedin, the Tudeh party, the Kurdistan Democratic Party, and extreme fundamentalist groups joined hands to overthrow the shah. But after Khomeini took power he got rid of all of them. He also killed many of the influential people who accompanied him to Iran. But his enemies increased proportionately. In sum, Khomeini was a very influential person. That is why his death may change many things.

[NOKTA] What may happen in the near future?

[General H.] I do not think that anything significant may happen until the 40-day mourning period is over. Some people in certain cities may engage in rebellion. The shah issued an order in 1985 demanding from the people that they not work against Khomeini. He asked them to work for unity. I think that he acted that way because of the international situation. We also saw that the People's Mojahedin and the Tudeh party were massacred despite

their readiness to fight. Many of our citizens died in those battles, but we have become strong. We are very pleased with that situation. This will also help the democracy that will return to Iran. The leftists will not be a problem.

[NOKTA] What will be the effect of Khomeini's death on relations among Islamic forces? At present there is Rafsanjani who is known to be very powerful and the radical Khamene'i who was named to replace Khomeini. There are also other important Islamic movements. What type of power struggle do you foresee among these forces?

[General H.] Most of our people are Muslims. I grew up among these mullahs. My late father was one. They would rise to the pulpit and preach. They would take 5 riyal and leave. I think that bullets cannot kill a mullah. A mullah is killed by another mullah's word. At present there are three types of mullahs in Iran. The Sadullahs, the Hezbollahs, and the mullahs who dress very well and who are said to be Khomeini's intelligence officers. The most powerful of these is Rafsanjani. But these are not extreme fundamentalists. They are easy to talk to. The Khamene'i wing is very hard-line. They operate as if they have blinders on; they cannot see their right or their left. Moreover, these people pursue neither money nor power. Consequently, they are very dangerous.

[NOKTA] Does the shah have the strength to return to Iran? What is the status of your organization?

[General H.] Let me first say this. Two months ago there was a major rebellion in the Iranian Naval Forces. About 10 to 15 leaders of this rebellion were executed, and the rebellion was completely suppressed. This is a simple example. Today the shah meets on a daily basis with all types of people ranging from common citizens to very powerful individuals in the army. You talked about strength. If today Turkey allows the shah to come there, his real strength will become evident. But now his strength is dispersed to all corners of the world. In the past, there were 61 pro-shah organizations. Now they are all united under a single organization which is led by the shah. Today if the shah says 'I am going to Iran; let everyone who wants to join me do so,' there would not be too many people inside and outside Iran—except the leftist Mojahedin—who would not join him. But the shah said in his recent speeches that they too will be allowed to come to Iran.

[NOKTA] Is any outside intervention possible?

[General H.] Categorically no. The Soviets would not intervene. Because Iran is not Afghanistan, and the United States would not permit it. The United States can rid itself of this catastrophe if it wants to. But it must fully support the pro-shah forces to do that. That may happen from now on. But even if the United States offers full support, success depends on Turkey and the posture of the Turkish government. Turkey has a major role to play in this situation. We are grateful to the Turkish

nation for opening its arms to us so far. But that is not enough; we want Turkey's full support.

[NOKTA] Nearly 1 million Iranians are currently in Turkey. What is the strength of your group and other groups?

[General H.] The People's Mojahedin operate mostly among students and young people here. They help newcomers and try to win them over. Occasionally they publish communiques. As for us, it used to be asked during the tenure of the Ulusu government: Is there a force or not? That force existed and worked on the condition that it caused no harm to the Turkish state and people. There was an armed assault force of more than 2,210 people. Of course, that force was not adequate for us. But after the Ulusu government stepped down, this became a bargaining issue. It became like a toy. You know the people who fall into a pit while watching a balloon rise. That is how they made us fall into a pit.

[NOKTA] As the supporters of the shah, how long do you expect the post-Khomeini administration in Iran to last? Do you have any expectations for the near future?

[General H.] That cannot be foreseen at this time. That will be partly determined by developments outside of Iran. The situation inside the country is very favorable. It will perhaps be even more favorable in 2 months. But we must wait at least for the 40-day mourning period to be over.

[NOKTA] But Iran is experiencing perhaps the loneliest period in the history of its foreign relations. It has support neither from the United States nor from Europe.

[General H.] Yes, but the U.S. support is secret. It is not telling us the truth. It does not give us direct support to enter Iran. But if it does some day, this government would have a much shorter life. Turkey's position on this issue is also very important. But we have not received any support from Turkey. We are also tormented by the fact that in the Middle East only Turkey lowered its flags to half-mast on Khomeini's death. Why only Turkey?

[NOKTA] Does your organization have any preparations for the future? Can you say anything concrete on this issue?

[General H.] Of course we have. First, we exist as a government which has a political plan. I can even call it a government-in-exile. Our new constitution is ready. In this constitution, the shah will serve as a symbol or an arbiter. A full democracy will be put in place. Just like in Europe. If the country's ruler returns to Iran, he can put the country on the right track very quickly. Because we are ready.

[NOKTA] You said that organizations loyal to the shah have united. What is being planned for the new era? Are there any new developments?

[General H.] At the general congress held in 1985 the shah asked us not to engage in any activity and exhorted us to unite. Unity was eventually established as a result

of work carried out in that direction. Now we will hold our first meeting to evaluate the new situation in Paris in the coming days. That meeting will mark the beginning of a new period. In other words, it will be a meeting where decisions for action will be taken. But I cannot say much about what those decisions may be. Those will be disclosed in the coming days.

PAKISTAN

Demand for Saraiki State Analyzed

46560045 Lahore CHATAN in Urdu
25 May 89 pp 33-37

[Article by M.A. Nadeem: "Another Lava Waiting to Erupt"]

[Excerpts] Three great defects of General Zia-ul Haq's regime are being targeted for criticism these days. The Pakistan People's Party (PPP) and its associated parties consider these three flaws as gifts from the martial law regime: kilashnikof politics, heroin trade, and establishment of regional and linguistic organizations and talks of a larger society.

The people agree with the politicians that these three problems were aggravated during martial law. We just cannot totally ignore this impression, because there is some truth in it. It would not be fair to say that the martial law government was involved in starting these problems; however, it is true that these three started during the martial law era. We first heard about these 11 years ago. [passage omitted]

The Muhamir Qaumi Movement (MQM) has not only encouraged the Sindhu Desh movement, the Pakhtoon movement, the Baluch Movement, and the Punjabi movement for rights, and started the tendency toward communalism, but also incited Saraiki speakers toward this trend. These people are living in Rahimyar Khan, Bahawalpur, Dera Ghazi Khan, Multan, Jhang, Muzaffargarh, and Mianwali districts. They are demanding formation of a separate state composed of this area and call it "Saraiki suba." Their demand is appropriate, but there are so many problems in granting this. We will discuss that in this article. First, we have to face the question: From where did the idea of a separate state come to the minds of the Saraiki people? It is important to mention here that the Saraiki state movement is older than the MQM, but could not be organized due to several problems. There was a large number of supporters of this movement, but it was limited to forming Bahawalpur state. Bahawalpur was a separate kingdom before the establishment of Pakistan and its ruler declared that his territory would join Pakistan. An agreement between the Amir of Bahawalpur Nawab Sir Mohammed Sadiq Abbasi and Pakistan's prime minister Nawabzada Liaquat Ali Khan's central government was signed on 3 April 1951. They agreed to give democratic rights to Bahawalpur residents. The first elections were held in 1952 resulting in the formation of a legislative

assembly with 49 members. These elections were held according to the agreement, and the purpose was to make Bahawalpur a separate state. The Bahawalpur assembly worked for about 2 1/2 to 3 years. Bahawalpur was dissolved into the One Unit plan implemented in October 1955. Some journalists believe that the extraordinary One Unit plan was designed especially to fight the numerical superiority of East Pakistan. East Pakistan accepted it for the sake of the country's unity. Several resolutions were passed in the Pakistan Assembly demanding alternatives in case of the failure of One Unit. The majority of Bahawalpur representatives gave approval believing that in case of the failure of One Unit all states would be returned to their original format. However, when General Yahaya Khan dissolved the One Unit, Bahawalpur was not made a state. Thus, the movement to demand the state of Bahawalpur was born. The "Bahawalpur Joint Campaign" was established. Many participants in this campaign had to appear in military courts and some were jailed under martial law. At that time, Gen Yahaya Khan announced that general elections would be held in the whole country in 1970, and the wishes of Bahawalpur residents were to be fulfilled during those elections.

Candidates belonging to the "Bahawalpur Joint Campaign" were very successful in the 1970 elections. This was the only area in Punjab which blocked the flood of the Pakistan People's Party (PPP). No other political party could hold a candle to the PPP. Only the "Bahawalpur Joint Campaign" has the honor that one of its leader Makhdum Nur Mohammed Hashmi defeated the founder of Ilhaq Punjab Makhdumzada Husan Mehmood in the elections. Makhdum Nur Mohammed Hashmi, Jamal Ahmed Koreja, Mian Nizammudin Haider, Sayyed Alrashid Abbasi, and Rqfiq Mohammed, all assembly members from Bahawalpur, had refused to sign the 1973 Constitution because it did not recognize Bahawalpur as a state. Former Prime Minister Zulfiqar Ali Bhutto rejected the demand for Bahawalpur state as he had the majority support in Punjab. Why did not Yahaya Khan accept statehood for Bahawalpur? One reason for that is said to be the personal bias of Mirza Muzaffar Qadiani, the major architect of Yahaya Khan's military dictatorship and the chairman of states reorganization. In the 1934-35 Mirzas were declared Kafirs [infidels]. This decision was made by the Bahawalpur court when the sun of the British empire was at its highest. Anyhow, the Bahawalpur movement weakened when Zulfiqar Ali Bhutto rejected it. There was quiet during the Bhutto era and during the first years of Zia's martial law. However, a new organization called "Pakistan Saraiki Suba" [Pakistan Saraiki State] was born before the nonparty elections were held. This organization rejected the long-standing demand for Bahawalpur as a separate state, and demanded a Saraiki state. A strange situation developed and three schools of thought emerged. One group supported the idea of Bahawalpur as a state. The second wanted a Bahawalpur state. The third group was opposed to forming any new state within the boundaries of Punjab. The people belonging to these

three schools are still there. The major political parties in this area are the PPP, the Muslim League, Jamiat-e Ulema-e Islam, Jamaat-e Islami, Tehrik-i Istiqlal, Pakistan National Party, and Jamiat-e Ulema-e Pakistan. The PPP, the Muslim League, Jamaat-e Islami, and Jamiat-e Ulema-e Islam do not recognize the demand for Bahawalpur or Saraiki state. Jamiat-e Ulema-e Islam's Amir Maulana Abdulla Darkhwasti (who lives in Khanpur in Rahimyar Khan district) is opposed to the idea of Bahawalpur or Saraiki state. His mother tongue is Saraiki and he says that establishment of a state within the geographical boundaries of Punjab is dangerous to the unity of the country. He also considers this step against Islamic brotherhood principles.

Ghaush Bux Bizanjo, leader of the Pakistan National Party, is opposed to Bahawalpur state but supports a Saraiki state. He insists on Saraikis being a separate community, however, he considers Dera Ghazi Khan a part of Suba Sarhad. This district is considered a part of the proposed Saraiki state. Air Marshal (Retd) Asghar Khan supports the proposal of Bahawalpur state, and opposes Saraiki state. He states that the formation of a state based on communalism cannot be good for a country. Tehrik-i Istiqlal supports the formation of Bahawalpur state. Jamiat-e Ulema-e Pakistan also agrees with this stand. The PNP supports Saraiki state. Jamiat-e Ulema-e Islam and Jamaat-e Islami view formation of any new state with disapproval. Neither of the two major parties, the PPP or the Muslim League, have included Bahawalpur or Saraiki state in their programs. This movement does not have support of any political party. The major difference between the idea of Saraiki and Bahawalpur states is that there was a Bahawalpur state once and the problem is only of recognizing it again. The old state was composed of Rahimyar Khan, Bahawalpur, and Bahawalnagar districts with Bahawalpur as its capital. Bahawalpur is a city which has no relationship with any linguistic movement and the demand for Saraiki state is based on language. In other words, this state would be for Saraiki speakers. The Saraiki state is much larger than the Bahawalpur state. It is spread from Rahimyar Khan to Mianwali. However, some Saraiki groups are opposed to establishing this large a state. They want Saraiki state to include four districts of Rahimyar Khan, Bahawalpur, Bahawalnagar, and Dera Ghazi Khan. The problem is that Bahawalnagar is a totally Punjabi-speaking district, and about 50 percent of the people in other districts are either Punjabi or Muhajir. This situation makes establishment of a Saraiki state meaningless.

The Saraiki region is actually the region of landlords. These landlords and vaderay [rich people] from rural areas are the ones elected to legislative assemblies. These vaderas control agriculture here, and in addition to their "vaderocracy" also control religious gaddis [shrines]. The maulvis of these religious gaddis are usually their own men. These vaderas have the support of their farmers, and servants as they are known as their patrons. Therefore, these vaderas do not need support of a political party. The farmers and servants living on their

land automatically join the political party which these vaderas decide to support. However, these landlords are fairly open. If there are 14 members of a family, they might join four different parties and make sure that the parties they join are winners. Not only this, they change parties when necessary. All political parties are forced to issue election tickets to them as they are very powerful in their respective constituencies. There are two viewpoints of Saraiki landlords about Bahawalpur state, or a state for Saraiki speaking areas. One group supports establishment of Bahawalpur state, and the other favors Saraiki state. During my recent investigative trip, I learned that the SQM (Saraiki Qaumi Movement) has the support of landlords and vaderas, and that this organization is being established under their patronage. The vaderas, who were opposed to a Saraiki state, have started to support the idea. Some of them are supporting SQM openly, while others are doing so behind the scenes.

What is the Saraiki Qaumi Movement? What are its goals? What strategies will it adopt? The purpose of this movement is clear. It wants a Saraiki state. The make up of this organization and its strategies are very different. This is not a well organized group. This is an organization of young people. Saraiki youth have established local branches of SQM in almost every city, and each of these local branch is a separate unit. An organization in one city does not influence those in other cities, and they do not have a central leader either. The only relationship between these organizations is that they share a common name. Otherwise, these organizations have no "organization." During my visit to Multan, Bahawalpur, Dera Ghazi Khan, and Rahimyar Khan, I noticed SQM slogans written on the walls of stores and homes in these cities. The most popular slogan is, "Wake up Saraiki Wake up." The Saraiki-speaking adults and vaderas support this movement, however, the Saraiki youth are the ones who are very interested in this movement and are the main force behind it.

A young leader told me that he was going to become another Iltif Hussain. Obviously, the Saraiki youth look up to the MQM and they are shaping their movement after it. As for the non-Saraiki population, they are wary of this movement. They call it a regional and linguistic movement whose purpose is to make trouble for the non-Saraiki people. They ask what criteria will be used to call a person Saraiki if this state is established. Who will be considered "locals" for this state? How will the Saraiki people treat the non-Saraikis? These questions have caused a rift between the locals and the outsiders in this area and the SQM has failed to remove these suspicions. However, I was told that some non-Saraiki people have also joined the movement. A National Assembly member from Punjab has announced his full support for SQM, to show that this organization is not based on a language issue. He is not opposed to forming a new state to help the economic development of this area. Some political observers claim that the people who are responsible for the situation in Sindh are behind this organization. They allegedly want to spread violence in

this area just like they did in Sindh. Since the Saraiki area is located next to Sindh, it is easy for them to work in this area. According to these allegations, these Sindhi elements are getting cooperation from SQM, and they also believe that the "Indian lobby" is behind all these movements. This area is close to the Indian border, and it is easy for Indian spies to operate in this area. These elements believe that an international conspiracy is behind the separatist movement based on language. They want the government to discourage the formation of such organizations, as they are afraid that there will be such organizations as "the Punjabi Qaumi Movement" and "the Muhajir Qaumi Movement" which will then work against each other. All this will endanger the situation ever more.

Political observers say that the people should not support such organizations as these never help a country. They want the government to check these organizations to make sure that Punjab is kept out of their sphere of activities. Punjab, which is a peaceful state, would also go the route of violence if these organizations are not checked. The lava of SQM is raging under the peaceful surface of Punjab.

This viewpoint is presented by objective political observers who are opposed to such disputed organizations. They are opposed to a Saraiki state as it is a disputed issue, and oppose its establishment at any cost. Some political observers even say that this Saraiki state is a political stunt invented by the vaderas to get the support of the Saraiki-speaking people of this area. The landlords and vaderas are trying to take advantage of the issue the local people are sensitive about.

There are many drawbacks to establishing a Saraiki state. Two of them are very important. The first is that 50 percent of the population in this area is either Punjabi or Muhajir. The non-Saraiki population is concentrated on the other side of the railway line or close to the Indian border. The non-Saraiki people do not, and never will, support the formation of a new state. The second problem is the political situation in the Saraiki areas. Many non-Saraiki representatives were elected from the proposed Saraiki areas to the state and national assemblies. No regional organization such as SQM even participated when the elections were held. Just like in the rest of the country the Muslim League, and the PPP are the two major political forces in this area. Both of these parties have not included the Saraiki state in their programs. It is neither in the published program of the PPP, nor in that of the Muslim League. Both of these major parties have not even supported the idea of Bahawalpur state. The question of their supporting a Saraiki state does not even arise. Any talk in support of Saraiki state by a leader belonging to either of these parties is meaningless since these parties have not included it in their programs. How can we think about a new state when the major parties do not support this idea? However, it is possible for the SQM to rise like the MQM, and the fate that Jamaat-e Islami and Jamiat-e Ulema-e Pakistan met in Karachi and Hyderabad could

belong to the Muslim League and the PPP in Saraiki areas! We cannot totally rule out such a possibility. The situation in this area, however, is very different than was in Karachi. Muhajirs made up 80 percent of Karachi's population, while only half of the people in this area are Saraiki. Therefore, the Saraikis are not in the position to lead a major campaign. The government cannot ignore the feelings of the 50 percent non-Saraikis living in this area, and will have to act to make both sides happy.

My investigations in this area indicate that it is very difficult for the SQM to succeed. There are too many questions and suspicious about this organization, and it cannot get the support of non-Saraikis. Their support is necessary for this organization. Non-Saraikis and some Saraikis are opposed to the formation of a Saraiki state within the political boundaries of Punjab. They will perhaps agree on forming Bahawalpur state. Bahawalpur state is not based on a language, and both Saraiki and non-Saraiki people consider its establishment beneficial to them. In other words, the people in Bahawalpur division support the idea of a Bahawalpur state but not a Saraiki state. If a campaign were to be successful, then it would be the one asking for the establishment of Bahawalpur state. There appear to be no signs of a possibility of establishing any other state at all!

New Book Details Nuclear Program Politics

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[Excerpts from "Dr Abdul Qadeer Khan and the Islamic Bomb" by Zahid Malik: "The Unforgettable Dr Abdul Qadeer Khan; Who Leads the Anti-Kahuta Lobby?"]

[Text] Pakistan's acquisition of atomic technology and its use is considered a miracle in the the Third World countries and this development has amazed the superpowers. Those holding monopoly over the atomic technology could not even imagine a few years ago that a backward country could find a perfect method for enriching uranium which they were looking for badly. Atomic scientists know that enriching uranium is a very complex and difficult operation. That fact that industrialized countries have not made any significant progress in this area clearly shows how difficult this process is.

Pakistan's program for peaceful use of atomic energy is still in progress despite the strong propaganda carried out against it by India, United States of America, and Israel, and despite numerous blocks in its implementation, and opposition from within the country. The main reason given for the propaganda against this program is the accusation that Pakistan is making atomic weapons behind the facade of peaceful use of atomic energy. This totally false and extremely prejudiced propaganda has been proved wrong by the facts available.

The real reason for this misunderstanding is the malicious intent of our enemies. Pakistan has achieved great success in finding a method for enriching uranium in spite of all hurdles. This success is credited to our

country's great son and a realization of Quaid-e Azam's dreams, the great atomic scientist of the modern era, Dr Abdul Qadeer Khan. God-given capabilities, empathy, sensitivity, and cordiality have merged into his great personality and he has carried Pakistan to the level of developments in atomic science and industrialization that has opened new doors of prosperity for the 100 million people in our country. We can be sure now that with the help of God Pakistan will play the role in the renaissance of Islam for which this country was established.

The industrialized countries have devised a plan to deny Pakistan access to modern technology. There are many factors—political, social, economic, psychological—for this, but these factors also made it essential for us to develop atomic technology. The Soviet Union, one of our neighbors, is known as a superpower. In addition to being an atomic power it has also loaded India with weapons. India also became a mini superpower after the atomic blast in May 1974. At present in India there are 48 different atomic projects underway at various sites in Trombay, Madras, Tarapur, Kota, (Rajasthan), Naro [as published], Orissa, Bombay, Hyderabad, Nangal, Baroda, Talchhar, Rana Pratap Sagar, Matu Goru [as published], Rawat Bhatta, Thal West, Jadu Garh, Indore, Chitrapur and Srinagar. It would not be out of place to refer to the statement made by Raja Ramanna, head of India's Atomic Energy Commission, in the beginning of 1987. He said that from nuclear fuel to the development and construction of reactors India was not dependent on any country for atomic technology. According to international observers, India has the ability to make a hydrogen bomb.

We can assume from this background why the Kahuta plant is very important for Pakistan and why the people of Pakistan love and respect Dr Abdul Qadeer Khan, the creator of this plant. It would not be wrong to say that the Kahuta plant is the beating heart of Pakistan and Dr Abdul Qadeer Khan is its soul. India, with the help of its ally the Soviet Union, succeeded in separating East Pakistan from us in December 1971. India did not even consider it as a remote possibility that this tragedy would effect a son of Pakistan so much that "stars would rise from ashes" and that Pakistan would become an atomic power with the help of its centrifuge plant, and that the process for which England, Holland, and Germany cooperated for more than 20 years, had 25,000 scientist working, and spent over \$200 million was to be attained within 7 years by the great son of this backward country!

Dr Abdul Qadeer Khan and Kahuta plant have almost the same story. Dr Qadeer Khan has also surmounted as many problems and obstacles as the Kahuta plant did. The story of Kahuta plant is the story of Dr Abdul Qadeer Khan. It is long and touching. When Dr Abdul Qadeer returned from Amsterdam in 1974, fate had given him the role that changes nations' fortunes. At that time we were involved in the reprocessing plant deal with France. Dr Khan advised some important people that we should build a plant to enrich uranium instead of

a reprocessing plant. This advice was accepted and Dr Khan returned to Holland after giving important instructions, but the work on this plant did not make much progress. It was in July 1976 that the uranium enrichment project was separated from the Atomic Energy Commission and Dr Khan gave this project his revolutionary direction. [As the poet said], "Fellow travelers kept on joining and the caravan was formed." Dr Khan searched at home and abroad for associates who were not only hard working and bright, but were also determined to make Pakistan self-sufficient in the highly advanced area of centrifuge. At the same time engineering research laboratories were being built and the work on the first centrifuge laboratory was also going on. An experimental plant in Sihala was operating and blue prints for the Kahuta plant were being drawn. In 1978, the experiment to enrich uranium was successful and the first centrifuge laboratory was ready.

Finding the necessary equipment for the plant was another problem. Dr Khan knew all the companies that supplied these equipment. His connections in various countries, knowledge of several languages, and his attractive personality helped make this difficult task simple. He had an in-depth knowledge of the Western way of thinking because of his long stay in Europe. He knew the psychology of their shrewd business minds. He took full advantage of this knowledge. He never broke any country's laws while purchasing materials and equipment. He had to face problems because of the pressure applied by the United States of America on Geneva, Ankara, Rome, Bonn, and the capitals of other countries to refuse selling this equipment to Pakistan. The United States got very angry and stopped economic aid to Pakistan in 1979. The Jewish-Hindu lobby led a propaganda tirade against Pakistan's enrichment plant unparalleled in modern history. Dr Qadeer Khan had some machines made locally under his own supervision. Dr Khan proved the Western view wrong that Pakistan was not able to make even a ball bearing, much less a centrifugal plant. Dr Khan himself made many electronic instruments including vacuums.

The member countries of the London Club wanted to keep this technology to themselves so that developing countries could not even dream about attaining this level of expertise. When these countries learned about Pakistan's ability to enrich uranium in 1979, they got a psychological shock to their feelings of superiority. They tried to put Dr Khan in the category of scientists who are serving jail sentences for selling atomic secrets to Moscow. The American Broadcasting Corporation, the BBC, Canada Radio and other news media began a very negative propaganda under the title of "Pakistan's Islamic Bomb." Holland sued Dr Qadeer on the basis of a letter Dr Qadeer had written 6 years earlier describing an acid for making a hole in steel plates. The case for stealing secrets was registered again Dr Qadeer in such a way that it did not allow him even to exercise his basic legal rights. The accusation of stealing secrets could not be substantiated; however, he was sentenced to 4 years of jail for the imaginary crime of carelessness in actions

that might result in disturbing peace. The people of Holland condemned this decision as one-sided and unfair. Dr Qadeer requested the court for a defense attorney and even submitted a written request. The court ignored it.

This court case was not against a person, rather it was against the feelings of Pakistan as a nation. Western countries were looking for an opportunity to denounce Pakistan for a long time. The Government of Pakistan decided to appeal in a Holland court. Dr Qadeer also appealed through the Pakistani ambassador in Holland. During that time the Netherlands' foreign minister and the minister for development visited Pakistan and met some Pakistani leaders. Ghulam Ishaq Khan, then finance minister, told them that Holland had fallen a prey to the international propaganda efforts and that there was no truth in the allegations against Dr Khan. Dr Khan was summoned to appear in a court in Amsterdam in December 1985. The government of Pakistan refused to let him go to Holland for reasons of national interest and his own safety. The court dismissed all allegations against Dr Qadeer.

An advertisement appeared in the daily OBSERVER on 28 February 1987. This advertisement caused a havoc from the Pakistani embassy in London to the president's residence in Islamabad. The advertisement announced the publication next day of an interview with the mysterious Dr Qadeer, Pakistan's hero and the creator of the Islamic bomb, by Kuldip Nayar.

The Embassy through its sources learned that Kuldip Nayar had claimed in this interview that Pakistan had made an atom bomb. This interview was being published exactly at the time when the U.S. Congress was discussing the \$4 billion aid to Pakistan. This interview could have caused serious problems for Pakistan. President Ziaul Haq was greatly disturbed by this information. His experience and knowledge told him that India had shot another arrow against Pakistan. He sent a message to Dr Khan to see him. Dr Qadeer had already learned about this from London so he understood the reason for this visit. He had never given any interview to Kuldip Nayar, therefore he was not worried. The President listened to all the details and advised him to avoid the foreign press.

This alleged interview was published in THE MUSLIM and in Lahore's NATION and along with the OBSERVER. Our intelligence agencies were in a state of turmoil. They wanted to know how an Indian journalist could succeed in crossing all security measures. The officials learned that Kuldip Nayar had succeeded in reaching Dr Khan through Muhamid Hussain, editor of THE MUSLIM. Our policy-makers were worried that on the pretext of the news about Pakistan making the atom bomb, India could attack Kahuta with the help of some big power. According to a senior journalist, "that night was very heavy for Pakistan." Rumors were rampant. The pride of Pakistan Air Force took to air to pay tribute to their country with their blood.

The whole facade of the alleged and imaginary interview was exposed by Dr Qadeer Khan's one statement. He said that a friend had visited him about 45 days earlier to invite him to his wedding. He was with another person whom he did not know. He was introduced as Mr Nayar. Dr Khan learned while drinking tea with them that this person was Kuldip Nayar, an Indian journalist. The friend who had brought this Indian journalist to Dr Qadeer Khan was Mushahid Hussain, editor of THE MUSLIM. When he took Kuldip back to his home, Kuldip Nayar called the Indian ambassador S.K. Singh and told him to send him a car and he would eat dinner with him. This was some code word or a secret signal. The Indian ambassador knew of Kuldip Nayar's mission. Kuldip Nayar gave his "story" to Mr Singh, who sent it to Delhi and the final draft was prepared in a joint meeting of the experts in the defense and foreign ministries. Kuldip Nayar earned 5 1/2 lakh rupees for this story.

A close look at the Kuldip Nayar drama makes us wonder why this "interview" taken on 28 January was not published until 1 March. According to a deputy editor of the OBSERVER, the editor of the newspaper was not willing to buy this scoop for which Kuldip Nayar was demanding 15,000 pounds. The editor was not willing to publish such a story without some proof. Kuldip Nayar discussed the issue with Shyam Bhatia, a journalist working for the OBSERVER. Shyam Bhatia was aware of his editor's weakness for women. He arranged for the editor to meet the notorious call girl Pamella in a club. The story was sold at the asking price as these meetings became a routine.

Not only the Hindu and Jewish lobbies, the Western press, and the superpowers have been busy in making mischiefs and conspiring against Dr Khan, but some of our "own" people are also involved. One of these people who disgraced Pakistan to foreign buyers is Dr Munir Ahmed. Dr Ahmed is the head of the Atomic Energy Commission and considers making problems for Dr Qadeer as his primary duty. According to the authors of "The Islamic bomb" the former chairman of the Atomic Energy Commission, Dr I.H. Usmani, considered Dr Ahmed a liar and a selfish person. His actions have brought disgrace to Pakistan.

Dr Qadeer's name was once included on a list for presenting the highest civilian honor. This list was to be considered by a cabinet level awards committee. Dr Munir Ahmed's favorite assistant Aftab Khan made fun of Dr Qadeer by calling him "that Bhopali" and removed his name from the list.

The other leader of the anti-Kahuta lobby is Dr Abdul Salam. It is an open secret that he is opposed to Pakistan becoming an atomic power. Dr Salam always visits Dr Munir Ahmed in the Karachi guest house of the Atomic Energy Commission whenever he visits Pakistan, and then heads straight to India. Munir Ahmed has but one desire. He wants to take the credit for all achievements in the field of atomic energy.

The position of Dr Abdul Qadeer Khan in our country is like a demigod of science. Millions of men, women, old people, and young children in Pakistan want to see him. Whenever he is seen in public people run to kiss his hand and bless him. The journey that science and technology started under Dr Abdul Qadeer Khan's leadership a few years ago has come a long way. Where is this caravan of great love now?

Pakistan, by the grace of God, has acquired the nuclear capability now. There is no difference between this ability and the ability to make an atom bomb. However, there is a difference in desire for making bombs and acquiring nuclear capability. According to Dr Qadeer, Pakistan has the expertise to enrich uranium using the centrifuge technique. We have left India behind by many years in this very complicated and difficult technology. India cannot catch up with us now no matter how hard it tries. Our expertise means that we can make not only atom bombs but also hydrogen bombs. According to foreign observers, we are not only enriching uranium in Kahuta, but are making mini and micro computers. According to them Pakistan will be entering the space in the near future. The successful experiments like Hatf 1, Hatf 2, Albadar and [word indistinct] support these observations.

Why does not then Pakistan explode an atomic bomb? Pakistan is against the atomic weapons race. However, we have to hope for the best and be prepared for the worst. Pakistan cannot turn back from where it has arrived today. All our neighbors have atomic weapons and the world will not come to an end if we also make them! Our patriotic duty is to explode a bomb and end all the dangers. We cannot expect humanistic and gentle relationship from the nuclear India with the non-nuclear Pakistan. We must have all the weapons that our enemies have.

We should also pay attention to the other areas of nuclear research in addition to an atomic explosion. The program in nuclear research and development must continue. We have to update our atomic energy division for helping our electricity production and industrialization.

If Kahuta can achieve the impossible, then why cannot it help get the country rid of the evil of load shedding? Prime Minister Benazir Bhutto will have to make courageous decisions. Her name will be written in gold in our nation's history.

Anti-Kahuta Lobby Within Pakistan— Countries opposed to Pakistan's atomic program have been active in making sure that Pakistan does not make progress in this area. These countries include the Soviet Union, India, Israel, and the United States of America. The Soviet Union and India have their connections in Pakistan and they are in a position to achieve their desired goals with the help of their agents. The United States has all the privileges in Pakistan because of its position as a friend and an ally. This is supported by the fact that Americans or their representatives are almost always

present at the high level meetings conducted in connection with Kahuta. Once when General Zia was discussing a very delicate matter pertaining to Kahuta with a senior military officer, he mentioned a very high level Kahuta board member and said: "That bastard is a CIA agent. Tell Dr Khan never to say anything important in his presence."

The Model of the "Islamic Bomb"—Once a very senior Pakistani diplomat was talking about some interesting affairs with some U.S. officials during his trip to the United States. The U.S. officials began to talk about Pakistan's atomic program. According to this diplomat, the U.S. officials threatened that it would become very difficult for the United States to continue their aid if Pakistan did not stop its nuclear program.

The CIA officer told him that they had not only the whole details about our atomic program but also the model of the "Islamic bomb." The official invited him to an adjoining room. The diplomat went to that room with other American officials. The CIA officer angrily jerked away a partition and revealed the model of the Kahuta atomic plant. A football shaped thing was on a stand in the other corner. The official said that was the Islamic bomb and asked if we Pakistanis still denied the existence of a bomb. When they were returning through the hall, he added that they had irrefutable proof of its existence. .

[Box 1, p 8, untitled]

Where would we be today if nature had not taken pity on our helplessness and given us Dr Abdul Qadeer Khan, who is like a bright spark in our bed of ashes? Our neighbor India had an atomic blast in 1974. It has 48 nuclear installations working round the clock in nuclear research and development. India claimed ability to make a hydrogen bomb 2 years ago. We have to admit that God gave us Dr Abdul Qadeer Khan to save and protect our nation. We cannot thank God enough for this great gift.

Dr Abdul Qadeer Khan started with the great ambition of making Pakistan a nuclear country in the face of resources not even worth mentioning. He surmounted all difficulties and the great deeds he has done in less than 7 years are mind boggling and should be written in gold in the history of our nation and the Third World. It is thanks to Dr Khan's miracle that Pakistan is able to maintain its free sovereign status alongside the superpowers and the mini superpower that is India.

The presence of Dr Abdul Qadeer Khan is the fulfillment of our wishes, of our hopes for a bright future, and of the dreams of the father of our nation. For this reason, HURMAT considers it its national duty to write about Dr Khan's deeds and tell the world about him. HURMAT's sister English newspaper PAKISTAN OBSERVER is also dedicated to publicizing Dr Khan's great deeds. This feeling resulted in the editor of HURMAT authoring the book now published as "Dr

Abdul Qadeer Khan and the Islamic Bomb." Two editions of this book are already sold out. Mr Zahid Malik is one of the oldest admirers of Dr Khan and he considers it his religious duty to write about Dr Khan. Weekly HURMAT and its sister newspaper PAKISTAN OBSERVER have published several interviews with Dr Khan. This feature based on the book is being presented for the readers of HURMAT, especially those living abroad, for their information and interest.

[Box 2, p 9]

Had General Zia Lived One More Day!—The late General Zia had become very unpopular with the Hindu-Jewish lobby and the opponents of Pakistan's nuclear program because of his interest in the Kahuta plant, uranium enrichment, and pushing Pakistan into the nuclear era. When Israel was positive that Pakistan will continue its Kahuta project despite U.S. opposition, it decided to remove General Zia. Israel planned "Mission Red" which was assisted by an anti-Zia Pakistani diplomat and an Indian diplomat. After some changes, this plan was finalized in Paris when all angles had been given due consideration, the Indian diplomat went to Israel where he was given the gadget that destroyed the C-130 airplane. The Indian diplomat called the Pakistani diplomat stationed in Europe over the telephone when he received this gadget. Israeli secret agents recorded this conversation. They also videotaped the ceremony when this matchbox sized gadget was given to the Pakistani diplomat.

President Zia had picked up some information about this plan. Had he lived one day more, he would have broken certain links in "Mission Red". Later on, General Akhtar Abdul Rehman, who was also killed in this plane, would have revealed this conspiracy.

[Box 3, p 10]

Dr Abdul Qadeer Khan According to his Wife Heni Khan—Dr Khan's wife, Mrs Heni Khan, is Dutch by birth. She has many relatives in Holland, but, there is only one aunt who is a close relative. According to Heni Khan she met Dr Khan in 1962 in Holland where he had gone for vacation while living in Germany. Dr Khan was a lonely young man who missed his country. "We both agreed that we must try to understand each other thoroughly. I got a job in Berlin and we were married after a while. Dr Khan was 27 and I was 21 years old at that time. Dr Khan got his doctorate in 5 years instead of the usual 7 years. We returned to Pakistan in 1976 and it took 9 months to settle down. I do not really understand the technical aspects of Dr Qadeer's projects, but I am aware of various aspects and problems associated with them. I am aware of what is happening in general. He had dreams about this project for a long time and it makes me very happy to see that he has achieved what he had wanted to achieve for such a long time. This will continue and it makes my husband very happy. I am very well aware of Dr Khan's qualities, and one of them is that he always wants to help others. The evenings at home are spent reading literature or biographies. He also

writes. He does not use a desk or a table and always writes using his knee as a brace for paper. Dr Khan also has a very keen sense of humor.

My husband is a great man, and is greater in intrinsic qualities..."

[Box 4, p 11]

Mercy Appeal for Bhutto—Dr Abdul Qadeer Khan was one of the people who believed that all the [anti-Bhutto] activities (to use Mr Bhutto's words) were to break my limbs. "He believed that the final step to hang Mr Bhutto and destroy him would never be taken. Dr Khan had told his wife Heni Khan and a couple of close friends that hanging Bhutto would be a great shock to him. He called Bhutto the creator of Kahuta. Dr Khan once said that it was correct that God had helped him to do all this work to protect this land, but "I believe this miracle could not have been achieved without Zulfiqar Ali Bhutto's support."

Dr Abdul Qadeer was greatly upset when the Supreme Court rejected Mr Bhutto's appeal. He had an appointment to see the president of Pakistan. He discussed the issue with some close friends and decided to appeal to the president for leniency toward Mr Bhutto. He spent every second thinking about this for 2 days before his meeting with the president. The night before the meeting he prepared a written appeal. He was sure that the president would pardon Mr Bhutto if he read the petition. After the meeting he pulled out an envelope from the inner pocket of his jacket and told the president that he was very thankful to him and would like him to read that statement during his spare time. When he met again with the president a month after Mr Bhutto was hanged, the president as usual walked him to his car. The president patted him on the shoulder and said, "I did read your petition and I think you are a good lawyer in addition to being a good nuclear scientist!"

[Box 5, p 12]

Mrs Benazir Can Become Pakistan's Mrs Thatcher—For energy purposes only 1000-watt light water reactors can be beneficial for Pakistan in the present situation. We can be self-sufficient in atomic fuel required for these because of the Kahuta plant. According to Dr Khan, Kahuta's scientists and engineers can build these reactors from indigenous resources. All they need is the permission to do so. Instead of making them work for some projects for demonstration purpose and wasting

time, we must focus on fully utilizing the capabilities of Kahuta's scientists and engineers. Their responsibilities should be increased. If Kahuta can achieve the impossible, it can also free the country from the evil of load shedding. All that is needed is to make some proper decisions. It would be better to reorganize the Atomic Energy Commission and make Dr Qadeer Khan its head. The Kahuta plant was started by Prime Minister Zulfiqar Ali Bhutto. If his daughter, keeping in mind the broader interests of the nation, decides to have a nuclear explosion, her father's soul will rest in peace. Madam Bhutto will also gain the important place in our history that she appears to want. If she makes some great decisions like this, she could become Pakistan's Mrs Thatcher!

[Box 6, p 13]

What Was in the Rock?—A young shepherd in Kahuta sat down on a large rock to rest. The road next to where he was sitting led to the research laboratories headed by the world famous scientist Dr Abdul Qadeer Khan. He began to sharpen his axe on the rock without thinking. The shepherds usually have a very sharp sixth sense. Perhaps that is why many of our prophets were required to look after the sheep before they were made prophets! The sound from the contact with the rock was ominous and the shepherd became alert. His father was a maulvi in the mosque who also helped the security personnel at Kahuta with some chores. He had told his son to always keep his eyes open because the enemy was lurking around. The shepherd got very curious. He looked at the rock carefully and tried to lift it. He was surprised to find the rock a lot heavier compared to its size. He was not suspicious anymore and his sixth sense told him that this was not a rock but something else. He took the rock to his father and this rock reached the experts through the security personnel. They decided to open it and found a transmitter and some very sensitive instruments whose functions were identified later. These instruments could tell and record the type of enrichment and amount of uranium in any truck going on the road. The transmitter would then send the accumulated information to the country that had planted this "rock." In addition, these instruments would also record and inform about any nuclear blast. The late General Ziaul Haq shared these facts with me. He had smiled and said that he had shared this information with Dean Hinton, the American ambassador. Zia said he had told Hinton that if they planted another rock, it too would be picked up within hours. Dean Hinton looked ashen.

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